United Nations A/71/836/Add.1

General Assembly

Distr.: General
13 April 2017

Original: English

Seventy-first session
Agenda item 162
Financing of the United Nations Mission for the Referendum in Western Sahara

Budget performance for the period from 1 July 2015 to 30 June 2016 and proposed budget for the period from 1 July 2017 to 30 June 2018 of the United Nations Mission for the Referendum in Western Sahara

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2015/16	$51,118,300
Expenditure for 2015/16	$50,148,300
Unencumbered balance for 2015/16	$970,000
Appropriation for 2016/17	$52,550,400
Projected expenditure for 2016/17[a]	$52,334,400
Projected underexpenditure for 2016/17[a]	$216,000
Proposal submitted by the Secretary-General for 2017/18	$55,155,600
Recommendation of the Advisory Committee for 2017/18	$53,470,000

[a] Estimate as at 31 January 2017.

17-04058 (E) 210417

Please recycle

I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions in paragraphs 25, 29, 40 and 42 below would entail a reduction of $1,685,600 to the proposed budget of the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 2017 to 30 June 2018 (A/71/760 and Corr.1).** The Advisory Committee has made recommendations and observations on specific issues, where appropriate, in the paragraphs below.

2. During its consideration of the financing of MINURSO, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 11 April 2017. The documents reviewed and those used for background by the Committee are listed at the end of the present report. The Committee's detailed comments and recommendations on the findings of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2015 to 30 June 2016 and on cross-cutting issues related to peacekeeping operations can be found in its related reports (A/71/845 and A/71/836, respectively). The main observations and recommendations of the Board of Auditors pertaining specifically to MINURSO are discussed in paragraph 7 below.

II. Budget performance report for the period from 1 July 2015 to 30 June 2016

3. The General Assembly, in its resolution 69/305, appropriated an amount of $51,118,300 gross ($49,002,100 net) for the maintenance of the Mission for the period from 1 July 2015 to 30 June 2016. The total amount has been assessed on Member States. Expenditures totalled $50,148,300 gross for the reporting period, representing an implementation rate of 98.1 per cent, leaving an unencumbered balance of $970,000 gross, or 1.9 per cent.

4. In his report on the budget performance of MINURSO for the period from 1 July 2015 to 30 June 2016 (A/71/639), the Secretary-General states that, on 16 March 2016, the Moroccan authorities demanded the departure of 84 MINURSO international civilian and African Union personnel from Western Sahara and that none of the staff members who had left had been able to return to the Mission area by 30 June 2016 (see paras. 31-33 below). The Security Council, in its resolution 2285 (2016), emphasized the urgent need for MINURSO to return to full functionality. While negotiations were ongoing with respect to the implementation of the Council resolution, as a temporary measure 25 international staff encumbering critical functions were temporarily relocated to Las Palmas, Spain, to continue performing their functions remotely. This measure allowed the Mission to continue operating, albeit with a severely reduced capacity. The Secretary-General indicates that the impact of the departure of personnel was primarily responsible for underperformance in a number of key performance indicators for the period (see A/71/639, para. 10).

5. An analysis of variances is provided in section IV of the report of the Secretary-General on the budget performance of MINURSO. The unencumbered balance of $970,000 gross was mainly attributable to reduced requirements under: (a) military and police personnel ($816,600, or 11.6 per cent), primarily owing to the higher actual average vacancy rates for military observers and military contingents, and the lower level of deployment of United Nations police officers; and (b) civilian personnel ($251,500, or 1.2 per cent), primarily under international

staff due to the departure of staff members in March 2016. The underexpenditure was partly offset by higher requirements under operational costs ($98,100, or 0.4 per cent), which reflects overexpenditures under consultants, official travel, facilities and infrastructure, information technology and other supplies, services and equipment, and underexpenditures under ground transportation, air transportation, communications and medical services (see para. 6 below).

Incorrect recording of expenditures

6. The Advisory Committee notes from the budget performance report that, under operational costs, a number of expenditures were recorded under classes other than those for which they were budgeted, leading to variances reported in the performance report (see A/71/639, paras. 41, 42, 47, 48 and 49). For example, the reported overexpenditure of $148,900 (11.3 per cent) under information technology was due to the recording of expenditures for commercial communications and spare parts budgeted under communications, while the reported underexpenditure of $25,100 (15.8 per cent) under medical was owing to the recording of related expenditures for medical evacuations under military observers. In the case of expenditures related to individual contractors, the expenditures were reported under three classes, namely consultants (overexpenditure of $134,400, or 896 per cent) and travel (overexpenditure of $118,200, or 17.6 per cent), in addition to other supplies, services and equipment (overexpenditure of $865,100, or 18.8 per cent) under which such expenditures were budgeted. Upon enquiry, the Advisory Committee was informed that the expenditures incurred for individual contractors had been recorded inadvertently and that the Mission had since ensured proper recording of these expenditures. **The Advisory Committee is concerned that the incorrect and inconsistent recording of expenditures hinders a proper comparison and analysis of the expenditure patterns.** The Advisory Committee's observations and comments on this issue are also contained in its report on cross-cutting issues related to peacekeeping operations (A/71/836).

Matters pertaining to the report of the Board of Auditors

7. In considering the reports of the Secretary-General on the financing of MINURSO, the Advisory Committee also had before it the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2016 (A/71/5 (Vol. II), chap. II). In its report, the Board observed that the Mission was one of only two missions that met the target of the total property management performance index during the reporting cycle. The Board also made observations and recommendations pertaining to MINURSO on medical emergency preparedness, long-outstanding accounts receivables, environmental efforts (see paras. 46 and 47 below) and instances of fully depreciated assets still in use (see also A/71/845 and A/71/836). **The Advisory Committee notes the efforts made by the Mission on property management and trusts that the recommendations of the Board of Auditors will be implemented expeditiously.**

8. The comments of the Advisory Committee on the information presented in the budget performance report of the Secretary-General on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2017 to 30 June 2018 (A/71/760 and Corr.1) in section IV below.

III. Information on performance for the current period

9. The Advisory Committee was informed that, as at 31 December 2016, a total of $1,182,955,000 had been assessed on Member States in respect of the Mission since its inception. Payments received as at the same date amounted to $1,141,364,000, leaving an outstanding balance of $41,591,000. As at 13 February 2017, the cash position of the Mission was $6,952,400, which was not sufficient to cover the three-month operating cash reserve of $15,011,700 (excluding reimbursements for troop-contributing countries).

10. Upon enquiry, the Advisory Committee was informed that MINURSO had historically suffered from a negative cash position owing to delays in receiving payments of assessed contributions from Member States. However, substantial payments of assessed contributions in late 2016 had improved the cash position of the Mission, enabling it to make the quarterly reimbursement payments to the troop-contributing countries for standard troop costs for the period from August 2014 to October 2016 and for contingent-owned major equipment and self-sustainment for the period from July 2014 to September 2016. In addition, the Mission was able to repay the outstanding loan from the closed peacekeeping missions that it had earlier required to meet its operating costs. Nonetheless, the cash position of the Mission amounted to $4.9 million as at 27 February 2017 and the total outstanding assessed contribution was $40.2 million as at 1 March 2017 (see also para. 9 above).

11. **The Advisory Committee continues to be concerned about the persistent insufficient cash position of the Mission. The Committee recalls that the General Assembly has consistently stressed that all Member States should fulfil their financial obligations as set out in the Charter of the United Nations on time, in full and without conditions (see General Assembly resolution 70/247). The Committee also reiterates that the Secretary-General should continue exploring available options to address the issue of late payment of assessed contributions, including engaging more actively with Member States (see A/70/742/Add.3, para. 9).**

12. In respect of claims for death and disability compensation since the inception of the Mission, an amount of $80,000 had been paid in respect of two claims as at 31 January 2017. The Advisory Committee was informed that there were no pending death or disability claims.

13. The Advisory Committee was also informed that, as at 31 January 2017, the incumbency for the Mission was as follows:

	Authorized approved[a]	*Encumbered*	*Vacancy rate (percentage)*
Military observers	218	200	8.3
Military contingent personnel	27	27	–
United Nations police	12	–	100
Posts			
International staff	89	75	15.7
National staff	168	159	5.4
United Nations Volunteers	18	9	50

[a] Represents the highest authorized strength for 2016/17 for military and police personnel and the approved posts for civilian personnel.

14. With respect to the current and projected expenditures for the period from 1 July 2016 to 30 June 2017, the Advisory Committee was informed that, as at

31 January 2017, expenditures for the period amounted to $33,878,900, or 64.5 per cent of the appropriation. At the end of the current financial period, the estimated total expenditures would amount to $52,334,400 against the appropriation of $52,550,400, leaving a projected underexpenditure of $216,000, or 0.4 per cent. Upon enquiry, the Committee was provided with information showing that the projected expenditures at the end of the current financial period remained unchanged as at 31 March 2017.

IV. Proposed budget for the period from 1 July 2017 to 30 June 2018

A. Mandate and planned results

15. The mandate of MINURSO, established by the Security Council in its resolution 690 (1991), was most recently extended to 30 April 2017 by the Council in its resolution 2285 (2016). The Mission is mandated to help the Council to achieve an overall objective, namely, a just, lasting and mutually acceptable political solution that will provide for the self-determination of the people of Western Sahara (see A/71/760, para. 2).

16. The Secretary-General indicates that MINURSO will: (a) continue its observation and monitoring activities to ensure the compliance of the parties with the ceasefire agreement; (b) provide continued support to the Personal Envoy of the Secretary-General in the performance of his functions; (c) continue its facilitation of the work of the Office of the United Nations High Commissioner for Refugees (UNHCR) in implementing and seeking to expand the confidence-building measures programme of family visit exchanges between the area west of the berm and the refugee camps in Tindouf, Algeria, once the programme resumes after its suspension in June 2014; (d) provide logistical support to the African Union representatives in Laayoune; and (e) carry out mine action activities in support of the Mission's mandate to the east of the berm (ibid., para. 7).

17. With headquarters established in Laayoune, the Mission will continue to operate at nine team sites at the east and west of the berm in Western Sahara and maintain its Liaison Office in Tindouf, Algeria (ibid., paras. 5 and 23).

B. Regional mission cooperation and partnerships

18. It is indicated that the Mission will continue to work closely with the Regional Service Centre in Entebbe, Uganda, and the United Nations Global Service Centre in Brindisi, Italy, as well as neighbouring missions to explore opportunities of cooperation that may lead to increased efficiencies. The logistical support to UNHCR, on a cost-reimbursable basis, is expected to continue once the programme of confidence-building measures resumes. The Mission will continue to work closely with all stakeholders in the Mission area, namely, the African Union, United Nations agencies and international non-governmental organizations (ibid., paras. 23 and 24).

C. Resource requirements

19. The proposed budget for MINURSO for the period from 1 July 2017 to 30 June 2018 amounts to $55,155,600, representing an increase of $2,605,200, or 5 per cent, in gross terms, compared with the appropriation of $52,550,400 for

2016/17. The proposed increases in resource requirements for 2017/18 are mainly due to higher requirements under military and police personnel ($574,800, or 8.5 per cent) and operational costs ($4,516,700, or 19 per cent), partly offset by reduced requirements under civilian personnel ($2,486,300, or 11.3 per cent). An analysis of variances for 2017/18 is provided in section III of the proposed budget of the Secretary-General.

1. Military and police personnel

Category	*Authorized 2016/17*[a]	*Proposed 2017/18*	*Variance*
Military observers	218	218	–
Military contingent personnel	27	27	–
United Nations police	12	12	–
Total	**257**	**257**	–

[a] Represents the highest authorized strength for the period.

20. The estimated requirements for military and police personnel for the period from 1 July 2017 to 30 June 2018 amount to $7,327,800, representing an increase of $574,800, or 8.5 per cent, compared with the apportionment for 2016/17. The proposed increase is attributable mainly to the application of the full mission subsistence allowance rate of $105 per person per day in the 2017/18 period, compared with $54 per person per day applied in the 2016/17 period, as a result of the cessation of voluntary contributions (hotel rooms and meals) from the host country since mid-March 2016 for military observers, military staff officers and United Nations police officers.

21. Upon enquiry, the Advisory Committee was informed that, after the cessation of the voluntary in-kind contributions from the host country, MINURSO started to cover the costs of meals and accommodations for those affected and eventually introduced two higher rates for Laayoune in July 2016, as determined by the Office of Human Resources Management, as follows: (a) $105 ($60 for housing, $31 for food and $14 for incidentals) applicable to those with hotel accommodation; and (b) $83 ($47 for housing, $24 for food and $12 for incidentals) for those with private accommodation, while the rate of $54 was maintained for those based at the team sites, taking into account the provisions provided. The Advisory Committee will revert to the matter related to mission subsistence allowance, including the methodology applied for the calculation of allowance rates, in the context of its consideration of the next report of the Secretary-General on human resources management.

22. Proposed delayed deployment factors applied to the estimates for military and police personnel for 2017/18 are 10 per cent for military observers, 1 per cent for military contingent personnel and 90 per cent for United Nations police. Upon enquiry, the Advisory Committee was informed that the high vacancy rate for United Nations police was due to the suspension of the UNHCR-led programme of confidence-building measures (see para. 16 above), and that United Nations police officers would be called in and deployed immediately should UNHCR reach an agreement with the parties with respect to the resumption of the programme.

23. **The Advisory Committee recommends approval of the resources requested for military and police personnel for 2017/18.**

2. Civilian personnel

Category	*Approved 2016/17*	*Proposed 2017/18*	*Variance*
International staff	89	82	(7)
National staff[a]	168	160	(8)
United Nations Volunteers	18	18	–
Government-provided personnel	10	10	–
Total	**285**	**270**	**(15)[b]**

[a] Includes National Professional Officers and national General Service staff.

[b] It is proposed that the functions of 10 posts (2 Field Service and 8 national General Service staff) be transferred to the Regional Service Centre (see paras. 27-29 below).

24. The estimated requirements for civilian personnel for the period from 1 July 2017 to 30 June 2018 amount to $19,579,700, a decrease of $2,486,300, or 11.3 per cent, compared with the apportionment for 2016/17. The proposed decrease in resources is mainly the result of the proposed higher vacancy rates and the overall reduction of 15 posts, including the transfer of functions to the Regional Service Centre, where 10 new posts are proposed (see paras. 27-29 below and the report of the Advisory Committee on the proposed budget for the Regional Service Centre (A/71/836/Add.9)).

25. The cost estimates for civilian staff for 2017/18 reflect vacancy factors of 8 per cent for international staff, 4 per cent for national General Service staff, 40 per cent for United Nations Volunteers and 90 per cent for government-provided personnel. Upon enquiry, the Advisory Committee was informed that the projected vacancy rate for government-provided personnel was increased to 90 per cent for 2017/18 in view of persisting uncertainties linked with the negotiations between the African Union and the host country on the redeployment of personnel to the observer delegation office in Laayoune. As for the projected vacancy rate of 8 per cent for international staff, the Committee was informed, upon enquiry, that this was in line with the historical pattern and actual average vacancy rates for the 2013/14, 2014/15 and 2015/16 periods (3 per cent, 6.6 per cent and 6.7 per cent respectively), while the higher vacancy rate of 15.7 per cent during the current 2016/17 period was mainly due to the Mission's inability to continue its recruitment process, stemming from the demand of the host country that international staff depart. **The Advisory Committee reiterates its view that budgeted vacancy rates should be based, as much as possible, on actual vacancy rates. In cases where the proposed budgeted rates differ from the actual rates at the time of the budget preparation, clear justification should be provided in related budget documents for the rates applied (see A/70/742, para. 45). The Committee therefore recommends that a vacancy rate of 15 per cent be applied to estimates for international staff for 2017/18 and any related operational costs be adjusted as appropriate.**

26. The proposed 2017/18 budget reflects a total abolishment of 16 posts (8 Field Service and 8 national General Service), the establishment of 1 P-5 post, the reassignment of 3 posts and the redeployment of 22 posts, reflecting the following (see A/71/760, paras. 15-17, 34, 35 and 38):

(a) The proposed abolishment of 11 posts (3 Field Service and 8 national General Service) and the transfer of functions relating to 10 posts (2 Field Service and 8 national General Service) to the Regional Service Centre (see paras. 27-29 below).

(b) The proposed abolishment of five Field Service posts, as recommended by the civilian staff review: two in the Transport Section and three in the Communications and Information Technology Section;

(c) The proposed establishment of a P-5 post for the new role of Chief of Supply Chain Management and Service Delivery in the context of the realignment of the organizational structure of the Mission Support Division in accordance with the global field support strategy. It is proposed that the structure of Mission support be realigned into two main pillars, one administered by the proposed Chief at the P-5 level and the other by the Deputy Chief of Mission Support at the P-5 level (through redeployment);

(d) The proposed reassignment of three positions: two Field Service positions to the Security Section as Security Officers from the Surface Transport Section (drivers) as a result of growing security concerns; and one United Nations Volunteer position as Environment Officer to the Risk Monitoring and Compliance Unit from the Engineering Section (see also para. 46 below);

(e) The proposed redeployment of 22 posts in the context of the realignment of the organizational structure of the Mission Support Division in accordance with the global field support strategy, as illustrated on page 22 and explained under the relevant organizational units in section I.E of the proposed budget of the Secretary-General.

Proposed transfer of functions to the Regional Service Centre

27. The proposed abolishment of 11 posts (3 Field Service and 8 national General Service) and the transfer of functions relating to 10 posts (2 Field Service and 8 national General Service) to the Regional Service Centre include the following (ibid., paras. 36, 37 and 46):

(a) The abolishment of six posts in the Finance and Budget Section, comprising two Field Service (1 Cashier Assistant and 1 Finance Assistant) and four national General Service posts (2 Finance Assistants, 1 Budget Assistant and 1 Team Assistant) and the transfer of those functions to the Regional Service Centre (including the conversion of the two Field Service posts to national General Service posts at the Centre);

(b) The abolishment of four national General Service posts in the Human Resources Section, comprising two Travel Assistants and two Human Resources Assistants, and the transfer of those functions to the Centre; and the abolishment of one Field Service post.

28. The Secretary-General indicates that the Mission's payroll processing for national staff and the military component had been transferred to the Regional Service Centre during the 2016/17 financial period (ibid., para. 23). Upon enquiry, the Advisory Committee was informed that, of the functions of the 10 posts proposed for transfer to the Regional Service Centre, 2 Finance Assistants posts (1 Field Service and 1 national General Service) in the Finance and Budget Section were related to the payroll function. The Committee recalls that, with the implementation of Umoja Extension 1 for national staff and uniformed personnel in field missions in November 2016 (known as cluster 5), the Department of Field Support moved payroll processing for those staff to two locations on 1 November 2016: payroll processing for missions based in Africa was moved to the Regional Service Centre (except the United Nations Operation in Côte d'Ivoire (UNOCI)); and payroll processing for all other missions was moved to the Kuwait Joint Support Office (except for the United Nations Stabilization Mission in Haiti and the United Nations Mission in Colombia). The Committee was informed, upon enquiry, at that

time that the centralization of payroll services at the Kuwait Joint Support Office was intended to be an interim arrangement to support the implementation of Umoja pending further consideration by the General Assembly in the context of the global service delivery model for the Secretariat (see A/71/595, para. 53). **The Advisory Committee reiterates that, while it does not object to an interim arrangement to support the implementation of Umoja, in accordance with General Assembly resolution 70/248, any changes to the existing and future service delivery model must be approved by the Assembly (see A/71/595, para. 55). In that context, the Committee does not object to the proposed transfer of the functions of the two posts for Finance Assistants (one Field Service and one national General Service at MINURSO) to the Regional Service Centre in Entebbe for 2017/18 (two national General Service posts in the proposed budget for the Centre).**

29. The Secretary-General further indicates that the implementation of Umoja has enabled the transfer of the non-location dependent support services to the Regional Service Centre to realize the benefits of economies of scale, and that the movement also allows for business continuity, a more sustainable environment for staff and opportunities to standardize service delivery, aside from mitigating the risks associated with the Mission-specific events (see A/71/760, paras. 15 and 60). However, the Advisory Committee was also informed in the context of its review of the proposed budget for 2017/18 for the Centre that the urgency of the operational situation called for the inclusion of MINURSO as a core client of the Centre for the 2017/18 period. Upon enquiry as to the nature of the Regional Service Centre, the Committee was informed that the Centre provided a full range of financial and personnel administrative transactional services to missions based in East and Central Africa.[1] The addition of MINURSO was part of the initiative by the Department of Field Support to address operational challenges faced by the Mission. **The Advisory Committee recalls that the General Assembly has requested the Secretary-General to submit for the consideration of the Assembly at the main part of its seventy-second session a report on the global service delivery model containing a comprehensive and fully developed proposal that continues to take into account the views of all stakeholders (see General Assembly resolution 71/272, sect. XVII, para. 7). The Committee therefore recommends against the proposed abolishment of the eight posts (1 Field Service and 7 national General Service) in the Finance and Budget Section and the Human Resources Section of MINURSO for 2017/18 and further recommends that the eight posts be included in the budget for the Mission, which would represent an increase of $369,100 in the proposed budget for the Mission for 2017/18, including related resources under staff and operational costs. In that connection, the Committee recommends against the proposed establishment of the eight posts (national General Service) in the budget proposal for the Regional Service Centre in Entebbe for 2017/18 (see also A/71/836/Add.9).**

30. **Subject to its comments and recommendations in paragraphs 25 and 29 above, the Advisory Committee recommends approval of the Secretary-General's proposals for civilian personnel for 2017/18.**

[1] MINUSMA was added as a client mission to the Regional Service Centre from 1 July 2016, as the finance and human resources administrative processes of MINUSMA had been supported by 42 posts located at UNOCI, which is in the process of withdrawal and closure in the first half of 2017 as mandated by the Security Council (see A/70/754, para. 10 and A/70/742/Add.17, para. 56).

Extended absence of staff on special leave with full pay

31. With respect to the return of the international staff to the Mission area following their departure in March 2016 (see para. 4 above), the Advisory Committee was informed, upon enquiry, that 17 staff members had been away from the Mission since 21 March 2016 and were currently in their respective home countries, on special leave with full pay. The total salaries and entitlements for those staff amounted to $1,099,925 for the period from March 2016 to 31 January 2017. The Committee was also informed, upon enquiry, that given the political background of the situation, a decision was made by Headquarters to examine all possible options with the Government of Morocco for the return of the affected staff members before exploring other scenarios. **The Advisory Committee considers that this issue needs to be urgently addressed to minimize the cost accruing to the Organization from payments of salaries to staff when services are not rendered (see A/AC.96/1147/Add.1, para. 24).**

32. Upon enquiry regarding efforts to engage those staff in temporary assignments in other operations, the Advisory Committee received inconsistent and unconvincing information, as follows: (a) according to the Secretariat, the Department of Field Support had proposed some of the affected staff members for temporary duty assignment to Colombia, but asserted that there was a limitation owing to the requirements for start-up experience and knowledge of the Spanish language; and (b) in the context of MINUSCA, the Committee was informed that other missions were not approached to consider those staff on special leave with full pay from MINURSO as potential candidates for temporary duty assignments. Rather, missions, including MINUSCA, were only approached to consider those staff for lateral reassignments to vacant positions under the authority of the Under-Secretary-General of the Department of Field Support. In addition, the Committee was also informed that, while the Organization was continuing discussions with the Government of Morocco on the return of those staff to the Mission, the Department of Field Support and the Mission had contacted the affected staff members to discuss the way forward and alternative options. Upon further enquiry, the Committee was provided with a table showing the functional titles of the 17 staff members (see annex).

33. **While the Advisory Committee recognizes the urgent need for MINURSO to return to full functionality as emphasized by the Security Council (see para. 4 above), it notes with concern the extended absence of the 17 staff from the Mission on special leave with full pay since late March 2016 and the lack of concerted effort to temporarily assign those staff members to other operations. The Committee strongly disapproves of such practice which, in its view, should be discontinued immediately. The Committee therefore also expects that the Secretary-General will provide an update on the status of the 17 staff members on special leave with full pay to the General Assembly at the time of its consideration of the proposed budget for 2017/18.**

3. Operational costs

Apportioned 2016/17	*Proposed 2017/18*	*Variance*
$23,731,400	$28,248,100	$4,516,700

34. The estimated operational requirements for the period from 1 July 2017 to 30 June 2018 amount to $28,248,100, representing an increase of $4,516,700, or 19 per cent, compared with the apportionment for 2016/17. An analysis of variances is provided in section III of the proposed budget report.

35. The proposed increases under operational costs reflect higher requirements owing mainly to (see A/71/760, paras. 66, 68 and 71):

(a) Air transportation ($2,640,000, or 24.7 per cent): the proposed deployment of an additional helicopter with specialized equipment and capabilities (see paras. 36-38 below);

(b) Facilities and infrastructure ($1,648,500, or 51.6 per cent): engineering projects to drill deep-water boreholes at six team sites (see paras. 39 and 40 below), and field defence supplies for the installation of security barriers and fences to protect fuel tanks in five team sites;

(c) Other supplies, services and equipment ($371,800, or 8.3 per cent): the increased requirements for freight costs and the provision for three international individual contractors (2 drivers and 1 fuel specialist) to carry life-sustainment supplies from the west to the east of the berm and manage the emergency fuel reserve in five locations east of the berm, as the national staff are not allowed to cross the berm.

Air operations

36. The current composition of the Mission fleet contains two rotary-wing and two fixed-wing aircraft. The proposed requirements for air operations amounts to $13,339,800 for 2017/18, representing an increase of $2,640,000, or 24.7 per cent, owing to the proposed deployment of an additional third helicopter with specialized equipment and capabilities, such as security monitoring and night vision features to carry out increased air patrols and ceasefire monitoring as a result of the increased security risks at the east of the berm (ibid., para. 68). The Secretary-General indicates that security has become a growing concern for both the Mission and the parties to the conflict and that MINURSO has adjusted patrolling routes and schedules to reflect the security situations on the ground. The Mission's current fleet of two helicopters are running on 95 per cent utilization and it is therefore proposed that additional air operations capacity be created to replace some of the ground patrols with air patrols (ibid., para. 12).

37. The Advisory Committee enquired whether there would be reductions under ground transportation and was informed that the additional helicopter was requested to address existing inadequacies in effective mandate implementation and it was by no means a replacement of present capabilities. While the number of ground patrols conducted by each team would remain the same as that of 2016/17 (27 per day), ground patrols were limited to a radius of 50 km east of the berm owing to security concerns, and the requirements for fuel for vehicles had been reduced by 12 per cent. As for the rationale for using the cost of the existing helicopter contract to estimate the budget of an additional helicopter with different capabilities, the Committee was informed, upon enquiry, that the objectives for engaging a third helicopter could be achieved by procuring the same type of helicopters which the Mission currently operated and installing a gyroscope-stabilized multi-sensor system for observation and surveillance (normally in the form of an external turret that could be procured and installed on a helicopter). Furthermore, owing to the recent increase in security threats and ground movement restrictions east of the berm, the Mission was in the process of revising its concept of operations with a view to increasing the Mission's logistics support activities east of the berm, and its aerial observation. Therefore, a third helicopter with enhanced air surveillance and observation capability would improve the flexibility of the Mission at times when one of the two existing helicopters was unserviceable or under maintenance. **The Advisory Committee is of the view that the Secretary-General should review**

the Mission's overall air fleet capacity, including both the rotary- and fixed-wing aircraft, and report the findings in his proposed budget for 2018/19.

38. **The Advisory Committee recommends approval of the Secretary-General's proposed resources for air transportation for MINURSO for 2017/18.**

Facilities and infrastructure

39. The proposed resources for facilities and infrastructure amount to $4,846,300 for 2017/18, representing an increase of $1,648,500, or 51.6 per cent. The proposed increase is mainly owing to the requirements of $1,855,000 under architectural and demolition services in connection with engineering projects to drill 10 deep-water boreholes at six team sites (phase IV of the project for 2017/18) (ibid., para. 66 and p. 40). The Advisory Committee notes from the supplementary information provided to it that for phase III of the project, during 2016/17, an amount of $696,000 was budgeted for drilling one borehole at a team site (with a start date of December 2014 and the planned completion date adjusted from June 2017 to April 2017). The Committee further notes from the budget performance report for 2015/16 that the bidding exercise was not successful owing to a lack of competition (see A/71/639, p. 18). Upon enquiry, the Advisory Committee was informed that a contract was subsequently signed in January 2017.

40. The Advisory Committee was also informed, upon enquiry, that the Mission initiated the project in 2014 by conducting the geophysical surveys and that a groundwater exploration team from the Global Service Centre in Brindisi visited MINURSO in December 2016 for preliminary studies for four of the six team sites and that all related desk studies had been completed. It was planned that the remaining activities related to geophysical surveys would be completed in May 2017. It was indicated to the Committee that the planning for the 10 deep-water boreholes at the six team sites for the 2017/18 period was based on two main reasons: (a) the one-time mobilization cost of drilling was $600,000 and it would be economical to implement the project within one year to avoid the repetition of mobilization costs; and (b) with the completion of the geophysical surveys, the remaining activities of drilling boreholes could be carried out in less than one year based on the experience the Mission had gained during 2016/17. **Taking into account the delays in the project since 2014, the Advisory Committee recommends a 50 per cent reduction ($927,500) to the proposed requirements of $1,855,000 under architectural and demolition services.**

Official travel

41. The proposed requirements for official travel amount to $599,000, representing a decrease of $71,400, or 10.7 per cent, for 2017/18, attributable mainly to (a) the reduced requirements for regional travel planned by the Office of the Force Commander; (b) the daily subsistence allowance related to within-mission travel for military observers; and (c) fewer trips proposed for external training compared with prior years for the implementation of the International Public Sector Accounting Standards, Umoja and various certification programmes for support personnel (see A/71/760, para. 65).

42. The Advisory Committee notes from the detailed information on travel it received that the planned trips for 2017/18 include the following: (a) multiple trips to New York based on different estimates; (b) travel budgeted for non-Mission personnel, such as visits from Headquarters to the Mission; and (c) multiple participants for the same conference, such as three attendees for the annual conference on information and communications technology at Brindisi. **The Advisory Committee recalls that, since 2011, the General Assembly has**

endorsed a number of measures aimed at improving the effectiveness and efficiency of resources dedicated for air travel. The Committee therefore recommends a 10 per cent ($59,900) reduction to the proposed resources under official travel for 2017/18 for MINURSO.

Mine action services

43. The estimated resource requirements for mine detection and mine-clearing services amount to $3,265,200 for 2017/18. It is indicated that, while the Mission conducts mine action activities in support of its mandate to the east of the berm, demining activities to the west of the berm will continue to be conducted by the Royal Moroccan Army. The Mission is planning to clear 3 million m^2 of subsurface area of land from known threats of landmines/explosive remnants of war for 2017/18. Furthermore, the Mission will maintain and update the Information Management System for Mine Action within 30 days of the completion of demining tasks to ensure that the Mission has the most up-to-date information on threats of landmines/explosive remnants of war (ibid., paras. 7 and 54 and p. 12).

44. The Advisory Committee recalls that it was informed during its consideration of the budget of the Mission for 2015/16 that the Mission estimated that it would take approximately 10 years to address high and medium threat areas east of the berm, covering an area of some 91 million m^2 (excluding the 5 km buffer strip), based on the survey and clearance capacity on the ground (see A/69/839/Add.3, para. 38). The Committee notes from the performance reports that the Mission cleared areas of 4.5 million m^2 in 2013/14, 8.8 million m^2 in 2014/15 and 2.7 million m^2 in 2015/16 (see A/69/595, para. 12; A/70/570, para. 13; and A/71/639, para. 13). Upon enquiry, the Committee was informed that the mine action component of the Mission departed Laayoune on 20 March 2016 and all planned mine action activities east of the berm were suspended until 15 September 2016, when the component relocated to Tindouf, Algeria. While the requirements for mine clearance were evaluated on an ongoing basis, the actual time frame of clearance completion would depend on the progress achieved, which was not always uniform owing to factors such as the type of soil and weather, seasonal floods and other natural events that might shift mines and access to the area. The Mission was of the view that the time frame of eight years from now remained achievable based on the current clearance rate, subject to review in case of significant developments. **The Advisory Committee is of the view that, moving forward, the Secretary-General should provide cumulative information on the overall progress, including annual resource allocation and planned and actual areas cleared and to be cleared, in future budget proposals for MINURSO for the 10-year time frame from 2015/16 to 2024/25.**

45. **Subject to its recommendations in paragraphs 25, 29, 40 and 42 above, the Advisory Committee recommends approval of the requested resources under operational costs for 2017/18.**

4. Other matters

Environmental initiatives

46. It is indicated in the proposed budget that the Global Service Centre in Brindisi is assisting the development of renewable energy sources, of which MINURSO is proposed to be a pilot project (see A/71/760, para. 23). It is further indicated that the Mission is in the process of preparing an environmental action plan aimed at achieving environmental objectives identified through the gap analysis in areas such as energy, wastewater treatment and waste management (ibid., p. 38). Upon enquiry, the Advisory Committee was informed that the annual

environmental action plan of the Mission included both short- and longer-term objectives on the basis of the focus areas and key activities contained in both the environment strategy (2017-2023) and the policy developed at Headquarters by the Department of Field Support and the Department of Peacekeeping Operations. Furthermore, the Committee was informed that the Mission had recruited a full-time Environmental Officer who was leading the development of the environmental plans and standard operating procedures for the Mission.

47. Concerning the potential reduction in the number of generators by using green energy, the Advisory Committee was informed, upon enquiry, that the Mission had already prepared an initial business case for the use of wind power at its nine team sites (the Mission locations in Laayoune and Tindouf were connected to the municipal electrical grid), according to which 66 per cent of the Mission's generator holdings could be reduced if the wind power generation project was implemented at all team sites. As part of the implementation of the Rapid Environment and Climate Assistance Facility project with the United Nations Environment Programme (UNEP), it was planned that the Mission would receive technical assistance from a UNEP consultant who would conduct a feasibility study on renewable energy options, with a focus on wind power, during the 2016/17 period. The Committee makes further comments and observations on environmental matters in its report on cross-cutting issues related to peacekeeping operations (A/71/836). **The Advisory Committee notes the environmental initiatives planned by MINURSO and trusts that the Mission will implement General Assembly resolutions 69/307 and 70/286 to reduce its overall environmental footprint. The Committee expects that more detailed information on the implementation of the environmental initiatives will be included in the budget proposal for 2018/19.**

Vehicle ratios

48. The Advisory Committee notes from the supplementary information provided to it that, of the 11 categories of vehicle ratios for civilian and military personnel, the ratios under 9 categories are above the standard ratios (approved number of personnel adjusted for vacancy rates). However, upon enquiry, the Committee was provided with information showing that ratios under only two categories were above the standard ratios (approved number of personnel without adjustment for vacancy rates). **The Advisory Committee is of the view that the presentation of the vehicle ratios, reflecting the delayed deployment factors, should be made in a consistent manner, and requests that accurate information on the Mission's vehicle ratios be provided to the General Assembly at the time of its consideration of the budget proposal for 2017/18 for the Mission.**

49. The Advisory Committee was also informed, upon enquiry, that, in line with the objective of reducing its vehicle fleet, the Mission was following guidelines and recommendations received from the Department of Field Support as follows: (a) to conduct a review by the vehicle establishment committee focusing on actual operational demand with a view to achieving synergies that would result in a considerable reduction of the light passenger vehicles component; (b) to prepare a five-year transition plan for the right-sizing of the current light passenger vehicles component as well as a phase-out plan for the disposal of surplus light passenger vehicles no later than 15 May 2017; (c) to initiate the write-off procedure of 36 light passenger vehicles to reflect the authorized ceiling of 178 by 30 May 2017, in accordance with the Mission's approved holding for the 2016/17 period; and (d) to comply with the relevant guidelines with respect to the allocation of vehicles in field missions. **The Advisory Committee trusts that the Secretary-General will report on the progress to be made with respect to the right-sizing of the Mission vehicle fleet in the budget proposal for 2018/19 for MINURSO.**

V. Conclusion

50. The actions to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2015 to 30 June 2016 are contained in section V of the performance report (A/71/639). **The Advisory Committee recommends that the unencumbered balance of $970,000 with respect to the period from 1 July 2015 to 30 June 2016, as well as other income/adjustments in the amount of $723,300, be credited to Member States.**

51. The actions to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2017 to 30 June 2018 are contained in section V of the proposed budget (A/71/760 and Corr.1). **Taking into account its recommendations in paragraphs 25, 29, 40 and 42 above, the Advisory Committee recommends that the General Assembly appropriate an amount of $53,470,000 for the maintenance of MINURSO for the 12-month period from 1 July 2017 to 30 June 2018, should the Security Council decide to extend the mandate of the Mission.**

Documentation

- Report of the Secretary-General on the budget performance of the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2015 to 30 June 2016 (A/71/639)
- Report of the Secretary-General on the budget for the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2017 to 30 June 2018 (A/71/760 and Corr.1)
- Report of the Board of Auditors on United Nations peacekeeping operations for the 12-month period from 1 July 2015 to 30 June 2016 (A/71/5 (Vol. II), chap. II)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the cross-cutting issues related to the United Nations peacekeeping operations (A/71/836)
- Report of the Advisory Committee on Administrative and Budgetary Questions on budget performance for the period from 1 July 2014 to 30 June 2015 and proposed budget for the period from 1 July 2016 to 30 June 2017 of the United Nations Mission for the Referendum in Western Sahara (A/70/742/Add.3)
- General Assembly resolutions 70/283 and 69/305 on the financing of the United Nations Mission for the Referendum in Western Sahara
- Security Council resolutions 2285 (2016) and 690 (1991)

Annex

Functional titles of the United Nations Mission for the Referendum in Western Sahara staff on special leave with full pay during the period 2016/17

No.	*Functional title*	*Level*	*Offices*
1	Legal Officer	P-4	Office of the Special Representative of the Secretary-General
2	Political Affairs Officer	P-4	Office of the Special Representative of the Secretary-General
3	Public Information Officer	P-3	Office of the Special Representative of the Secretary-General
4	Human Resources Officer	P-3	Human Resources Section
5	Administrative Officer	FS-6	Office of the Chief of Mission Support
6	Information Systems Assistant	FS-5	Communications and Information Technology Section
7	Administrative Assistant	FS-5	Office of the Special Representative of the Secretary-General
8	Telecommunications Assistant	FS-5	Communications and Information Technology Section
9	Administrative Assistant	FS-4	Office of the Force Commander
10	Information Technology Assistant	FS-4	Communications and Information Technology Section
11	Equipment Technician	FS-4	Communications and Information Technology Section
12	Heating, Ventilation and Air Conditioning Technician	FS-4	Engineering Section
13	Claims Assistant	FS-4	Property Management Section
14	Radio Operator	FS-4	Communications and Information Technology Section
15	Vehicle Technician	FS-4	Surface Transport Section
16	Security Officer	FS-5	Security Section
17	Security Officer	FS-4	Security Section

United Nations A/71/836/Add.2

General Assembly

Distr.: General
4 April 2017

Original: English

Seventy-first session
Agenda item 160 (a)
Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Budget performance for the period from 1 July 2015 to 30 June 2016 and proposed budget for the period from 1 July 2017 to 30 June 2018 of the United Nations Disengagement Observer Force

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2015/16	$51,706,200
Expenditure for 2015/16	$51,067,600
Unencumbered balance for 2015/16	$638,600
Appropriation for 2016/17	$47,714,100
Projected expenditure for 2016/17[a]	$56,898,100
Projected overexpenditure for 2016/17[a]	$9,184,000[b]
Proposal submitted by the Secretary-General for 2017/18	$62,276,000
Recommendation of the Advisory Committee for 2017/18	$61,378,700

[a] Estimates as at 31 January 2016.
[b] Prior to the finalization of the present report, the Advisory Committee provided its concurrence to enter into commitments in an amount not to exceed $8,829,400 to meet the additional requirements of the United Nations Disengagement Observer Force in connection with the return to Camp Faouar until 30 June 2017, resulting in total available resources of approximately $56.54 million for the current period.

17-04059 (E) 110417

Please recycle

I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in paragraphs 28, 38, 40 and 43 below would entail a reduction of $897,300 in the proposed budget for the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 2017 to 30 June 2018 (A/71/781).** The Advisory Committee has made recommendations and observations on specific issues, where appropriate, in the paragraphs below.

2. During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses dated 17 March 2017. The documents reviewed and those used for background information by the Committee in its consideration of the financing of UNDOF are listed at the end of the present report. The comments and recommendations of the Committee on the findings of the Board of Auditors on United Nations peacekeeping operations and on cross-cutting issues related to United Nations peacekeeping operations can be found in its related reports (see A/71/845 and A/71/836, respectively). The observations and recommendations of the Board pertaining specifically to UNDOF are discussed in paragraphs 9 and 10 below.

II. Budget performance report for the period from 1 July 2015 to 30 June 2016

3. By its resolution 69/301, the General Assembly appropriated an amount of $51,706,200 gross ($50,303,600 net) for the maintenance of UNDOF for the period from 1 July 2015 to 30 June 2016. The total amount has been assessed on Member States. Expenditure for the period totalled $51,067,600 gross ($49,763,900 net), which is $638,600 gross ($539,700 net) lower than the amount appropriated by the Assembly and corresponds to a budget implementation rate of 98.9 per cent.

4. The table contained in section III.A of the report of the Secretary-General on the budget performance of UNDOF (A/71/631) indicates that the underexpenditure for the period from 1 July 2015 to 30 June 2016 is the net result of reduced requirements of $3,618,300 under military personnel costs and $450,100 under civilian personnel costs, offset by an overexpenditure of $3,429,800 under operational costs.

5. An analysis of variances is provided in section IV of the report of the Secretary-General. The reduced requirements for military contingents were attributable primarily to the lower deployment of troops owing to the prevailing security situation, which did not allow for the return of the Force to the positions formerly held on the Bravo side, and an actual average vacancy rate of 36.4 per cent, compared with the budgeted rate of 26.3 per cent. The reduced requirements for civilian personnel were attributable primarily to lower actual common international staff costs than budgeted, and lower actual salary costs for national staff, offset in part by increased requirements for common national staff costs for the relocation of 15 national staff, as well as an actual average vacancy rate of 2.1 per cent, compared with the budgeted rate of 5.0 per cent.

6. The additional requirements for operational costs occurred under:

(a) Official travel ($376,800), primarily for travel from the Alpha side to the Bravo side, and for travel to meet training objectives following the disruption of training activities in 2014/15 as a result of the relocation from Camp Faouar (ibid., para. 33);

(b) Facilities and infrastructure ($2,252,000), in order to (i) fortify the seven positions of the Force, the two observation posts and Camp Ziouani, (ii) acquire prefabricated facilities, accommodation equipment and engineering supplies in connection with the construction of position 12A and accommodation for 100 military contingent personnel, and the expansion of the Camp Ziouani dining facilities, and (iii) rent commercial premises for the Force headquarters at Yafour and the administrative office in Mezzeh, offset in part by reduced requirements for utilities and waste disposal, petrol, oil and lubricants for generators, and alteration and renovation services, all in connection with the lower troop deployments (ibid., para. 34);

(c) Medical ($132,500), in connection with higher costs for medical services, equipment and supplies resulting from higher prices on the Alpha side and an increase in the number of acute medical emergencies, given the deterioration of the security situation in the region (ibid., para. 37);

(d) Other supplies, services and equipment ($963,600), because of (i) higher freight charges, as the Force had to operate from two ports (Haifa and Beirut), and a higher volume of goods received, (ii) the hiring of individual contractors for the implementation of cluster 5 in Umoja, of temporary skilled labourers for Camp Ziouani maintenance works, and of contractors to assist with freight activities, (iii) fees for the training of military personnel to operate snow vehicles under alpine conditions, given the operations of the Force in Mount Hermon, and (iv) a foreign currency exchange loss due to market volatility (ibid., para. 38).

7. The Secretary-General indicates that, during the period 2015/16, the objective was to return fully to the area of separation, but the prevailing security situation was not conducive to such a return. In addition, following a security incident, the headquarters functions of the Force temporarily located in Damascus were relocated to Yafour and the administrative office of the Force was established in Mezzeh, based on the recommendations of a security risk assessment conducted by the security management team and the designated official. The Secretary-General also indicates that the relocation presented a significant logistical challenge, as it involved the majority of civilian and military headquarters personnel in charge of managing the operations of the Force. The Secretary-General indicates, furthermore, that the return of the Force to Camp Faouar began in November 2016 (see A/71/781, summary, and paras. 9 and 18 below).

8. The comments and recommendations of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2017 to 30 June 2018 in the paragraphs below.

Matters pertaining to the report of the Board of Auditors

9. In considering the reports of the Secretary-General on the financing of UNDOF, the Advisory Committee also had before it the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2016 (A/71/5 (Vol. II), chap. II). With respect to UNDOF, the Board observed, inter alia, that of a total of 93 non-expendable property items, 82 such items were kept idle and therefore were not used as of August 2016, when the audit review took place. The Board also observed that 215 non-information and communications technology assets, valued at $1.49 million, had lain idle for periods of between 8 and 56 months (ibid., para. 126). Upon enquiry, the Committee was informed that the high levels of unutilized inventory were being held in readiness for the phased return to Camp Faouar. The Committee was also informed that, once the return to Camp Faouar had commenced in

November 2016, all of this equipment had been issued, with the exception of maintenance stock.

10. The Board of Auditors also observed that posts of Environmental Officer had been vacant at several peacekeeping missions[1] (ibid., para. 332). Upon enquiry, the Advisory Committee was informed that a post of Environmental Officer had never been established at UNDOF, as the Force had had to relocate several times since September 2014 as a result of the deterioration of the security situation in its area of operations. The Committee was also informed that the United Nations Logistics Base at Brindisi, Italy, would deploy a team to support the implementation of the environmental action plan of the Force. **The Advisory Committee trusts that efforts will continue to reduce the overall environmental footprint of UNDOF, as requested by the General Assembly in its resolutions 69/307 and 70/286.** The Committee provides further comments on environmental matters pertaining to peacekeeping operations in general in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

III. Information on performance for the current period

11. The Advisory Committee was informed that, as at 14 February 2017, a total of $1,979,405,000 had been assessed on Member States in respect of UNDOF since its inception. Payments received as at that date amounted to $1,947,332,000, leaving an outstanding balance of $32,073,000. As at 13 February 2017, the cash position of the Force was $14,083,000; after taking into consideration a three-month operating cash reserve of $10,841,000, the balance in remaining cash amounted to $3,242,000, allowing for the reimbursement of troop-contributing countries on 17 March 2017.

12. The Advisory Committee was also informed that as at 31 December 2016, payments totalling $12,121,000 had been made in 2016 for troop costs up to October 2016 and that an amount of $3.2 million for the period from 1 November 2016 to January 2017 had been paid in March 2017. As at 31 December 2016, payments totalling $2,722,000 had been made in 2016 for contingent-owned equipment up to September 2016, and the balance owed amounted to $813,000.

13. With respect to claims for death and disability compensation since the inception of the mission, an amount of $5,477,000 had been paid in respect of 178 claims as at 31 January 2017. The Advisory Committee was informed that there were no pending death or disability claims.

14. The Advisory Committee was also informed that, as at 31 January 2017, the incumbency of the Force was as follows:

Category	*Authorized*	*Encumbered*	*Vacancy rate (percentage)*
Military contingents[a]	1 250	830	33.6
International staff	42	40	4.8
National General Service staff	88	86	2.3
Temporary international positions	8	6	25.0

[a] Represents the highest authorized strength for 2016/17.

[1] According to the Board, such posts were vacant at UNDOF, the United Nations Peacekeeping Force in Cyprus, the United Nations Interim Security Force for Abyei, the United Nations Military Observer Group in India and Pakistan and the United Nations Truce Supervision Organization.

15. With respect to current and projected expenditures for the period from 1 July 2016 to 30 June 2017, the Advisory Committee was informed that as at 31 January 2017, expenditures for the period were estimated at $33,825,000. At the end of the current financial period, the estimated total expenditures would amount to $56,898,100 against an appropriation of $47,714,100, leaving a projected overexpenditure of $9,184,000. The Committee was informed that the overexpenditure to date was a result of the ongoing return of personnel and operations to Camp Faouar, with respect to ground transportation (the acquisition of a crane), naval transportation (the acquisition of sea containers), communications and information technology (the acquisition of related equipment) and other supplies, services and equipment (the re-establishment of military and civilian facilities).

16. In connection with the return to Camp Faouar during the current period, the Secretary-General indicated, in a letter to the Advisory Committee dated 10 February 2017, that the approved budget for the current period did not provide for resources for that purpose. In the letter, the Secretary-General requested the concurrence of the Committee to enter into commitments to meet the additional requirements for military and civilian personnel, as well as associated operational expenditures, until 30 June 2017. Prior to the finalization of the present report, the Committee provided its concurrence to enter into commitments in an amount not to exceed $8,829,400 to meet the additional requirements of UNDOF until 30 June 2017, resulting in total available resources of approximately $56.54 million for the current period. **The Advisory Committee trusts that detailed information on expenditure in connection with the aforementioned commitment authority will be included in the performance report for the period 2016/17.**

IV. Proposed budget for the period from 1 July 2017 to 30 June 2018

A. Mandate and planned results

17. An overview of the mandate and planned results of UNDOF is provided in paragraphs 1 to 17 of the report of the Secretary-General on the proposed budget for the period 2017/18 (A/71/781). The mandate of UNDOF was established by the Security Council in its resolution 350 (1974). The most recent extension of the mandate was authorized by the Council in its resolution 2330 (2016), by which the Council extended the mandate until 30 June 2017. The Secretary-General indicates that the Force is mandated to maintain the area of separation and to monitor the areas of limitation agreed to in the Agreement on Disengagement between Israeli and Syrian forces of May 1974, as well as to continue to monitor the area of separation and the ceasefire line.

18. UNDOF will continue to maintain its temporary headquarters functions in Yafour and its administrative office in Mezzeh, in the Damascus area; its operational base at Camp Ziouani; and Camp Faouar. It will also maintain nine military positions in the area of separation. The Secretary-General also indicates that the main priority during the period 2017/18 will be the renovation of and return to Camp Faouar on the Bravo side. In addition, the Force intends to deploy 14 additional armoured personnel carriers to support the operations on the Bravo side and plans to implement a higher level of surveillance and situational awareness through the deployment of related equipment.

19. The Secretary-General further indicates that UNDOF will continue its regional cooperation with the United Nations Interim Force in Lebanon (UNIFIL) and the

United Nations Truce Supervision Organization (UNTSO) and will provide support to the UNTSO military observers in the Observer Group Golan and to the UNTSO liaison office in Damascus (see also paras. 42 and 43 below). UNDOF will also continue to provide support to the Office of the Special Envoy for Syria in Damascus.

B. Resource requirements

20. The proposed budget for UNDOF for the period from 1 July 2017 to 30 June 2018, which provides for the deployment of 1,250 military contingent personnel, 53 international staff (including 10 staff against general temporary assistance positions) and 82 national staff, amounts to $62,276,000 gross ($60,887,800 net), representing an increase of $14,561,900, or 30.5 per cent, in gross terms compared with the appropriation of $47,714,100 gross for 2016/17. The financial resource requirements are provided in section II of the report of the Secretary-General on the proposed budget (A/71/781).

21. An analysis of variances is provided in section III of the report of the Secretary-General on the proposed budget.

22. The increased resource requirements for UNDOF for 2017/18 are attributable mainly to:

(a) Military contingents ($6,414,000), for (i) the application of a vacancy factor of 31.2 per cent in the computation of costs for military contingent personnel, compared with the factor of 42.4 per cent applied for 2016/17, given the return of the Force to Camp Faouar and to two positions formerly held on the Bravo side, (ii) an additional 14 armoured personnel carriers provided from contingent-owned equipment, (iii) the application of a daily single-rate mission subsistence allowance of $145 (see para. 25 below), compared with $199 during the first 30 days of deployment and $99 after 30 days in 2016/17, (iv) the increase in the cost of rations, given the lower proposed vacancy rate and the higher number of troops to be deployed to Camp Faouar, which has a higher unit cost for rations than the Alpha side, and (v) standard reimbursement rates for major equipment and self-sustainment in the total amount of $4,734,800 (ibid., paras. 33 and 40);

(b) General temporary assistance ($311,900), related to the proposed establishment of two temporary positions in the Security Section (1 P-3 and 1 Field Service) (ibid., para. 42);

(c) Official travel ($126,300), related to the planned increase in the number of trips between the Alpha and Bravo sides, in connection with the return of the Force to Camp Faouar (ibid., para. 43);

(d) Facilities and infrastructure ($5,884,800) for (i) the acquisition of safety and security equipment for Camp Faouar and the increased presence of the Force on the Bravo side, (ii) the alteration and renovation services for Camp Faouar and two positions, as well as the acquisition of engineering supplies and water treatment systems, and (iii) the planned increase in consumption of fuel for generators to 1,558,700 litres for the period 2017/18, compared with 392,194 litres for 2016/17 (ibid., para. 44);

(e) Ground transportation ($430,600) for (i) increased fuel consumption of 1,197,300 litres, compared with 389,189 litres in 2016/17, as a result of a higher number of convoys and increased traffic in connection with the return to Camp Faouar, and (ii) the replacement of one refrigerated truck for the Bravo side (ibid., para. 45);

(f) Communications ($319,400), for the acquisition of communications equipment and supplies for Camp Faouar (ibid., para. 46);

(g) Information technology ($746.300), for related equipment for Camp Faouar, such as fixed network equipment, as well as software licences (ibid., para. 47);

(h) Other supplies, services and equipment ($613,000), for freight costs for safety and security, alteration and renovation, communications and information technology equipment and supplies in connection with the return to Camp Faouar (ibid., para. 48).

23. The increased resource requirements for UNDOF for 2017/18 are offset by reduced requirements under national staff ($296,400), related mainly to the application of a lower salary step level in the computation of national staff salary costs, compared with the salary step level applied in 2016/17 (ibid., para. 41).

1. Military personnel

Category	*Authorized 2016/17*	*Proposed 2017/18*
Military contingent personnel[a]	1 250	1 250

[a] Represents the highest authorized strength for 2016/17.

24. The requested resources for military personnel for the period from 1 July 2017 to 30 June 2018 amount to $28,766,200, representing an increase of $6,414,000, or 28.7 per cent, compared with the apportionment for 2016/17. As indicated in paragraph 22 (a) above, the increase is primarily a result of a lower vacancy factor, the deployment of 14 armoured personnel carriers provided from contingent-owned equipment, an increase in the cost of rations and the application of a daily single-rate mission subsistence allowance.

25. As regards mission subsistence allowance, the rate applied for military personnel is $145, compared with the rates applied in prior periods, namely, $199 for the first 30 days of deployment and $99 thereafter. The Advisory Committee was informed upon enquiry that a mission subsistence allowance rate pertaining to the Alpha side had not previously existed and had only been introduced effective 1 November 2015, following the temporary relocation of personnel. The Committee was also informed that the mission subsistence allowance rate for the Bravo side had subsequently been aligned with the rate for the Alpha side effective 1 October 2016, taking into account the operational challenges resulting from the frequent movement of personnel within the UNDOF area of operations.

26. **The Advisory Committee recommends the approval of the proposed resources for military personnel.**

2. Civilian personnel

Category	*Approved 2016/17*	*Proposed 2017/18*
International staff	42	43
National General Service staff	88	82
General temporary assistance[a]	8	10

[a] International staff funded under general temporary assistance.

27. The estimated requirement for civilian personnel for the period from 1 July 2017 to 30 June 2018 amounts to $14,347,700, reflecting an increase of $16,500, or

0.1 per cent, compared with the apportionment for 2016/17. The envisaged organization chart for UNDOF for the period 2017/18 is presented in the report of the Secretary-General on the proposed budget (ibid., annex II).

28. The cost estimates for 2017/18 for civilian staff reflect vacancy factors of 5 per cent for international staff, 2.5 per cent for national General Service staff and 3 per cent for international temporary positions (ibid., para. 31). The Advisory Committee was informed, however, that both the average vacancy rate for the period from 1 July 2016 to 31 January 2017 and the actual rate as at 31 January 2017 for international temporary positions were 25 per cent. **The Advisory Committee reiterates its view that budgeted vacancy rates should be based, as much as possible, on actual vacancy rates. In cases where the proposed budgeted vacancy rates differ from the actual rates at the time of the budget preparation, clear justification should be provided in related budget documents for the rates used (see A/70/742, para. 45). Taking into account the actual vacancy rates of the Force with respect to international temporary positions, the Committee recommends the application of vacancy rates as follows: (a) 25 per cent for continuing international temporary positions; and (b) 50 per cent for newly established international temporary positions (see also para. 30 below). Any related operational costs should be adjusted, as appropriate. Furthermore, the Committee expects that all vacant posts and positions will be filled expeditiously.**

29. A summary of all proposed staffing changes is contained in annex I to the present report. The Secretary-General proposes a net reduction of 3 civilian posts and positions, from 138 in 2016/17 to 135 in 2017/18, as follows:

(a) The establishment of one post of Deputy Force Commander (D-1) is proposed in connection with the return to the Bravo side, in order to oversee and guide military and planning requirements and to assist in facilitating the dialogue between the parties to the Agreement on Disengagement. The Secretary-General also indicates that the proposal to establish this post at the D-1 level is consistent with the United Nations policy on authority, command and control, which, given the military nature of the role, requires an experienced and qualified officer able to assume the responsibilities as officer-in-charge when required (see A/71/781, para. 20);

(b) The abolishment of six national General Service posts as a result of their continued underutilization, as follows: (i) two posts of Facilities Management Assistant; (ii) one post of Plumber; (iii) one post of Carpenter; (iv) one post of Generator Mechanic; and (v) one post of Vehicle Technician (ibid., paras. 27 and 28).

30. In addition, the Secretary-General proposes the establishment of two positions under general temporary assistance, as follows:

(a) One position of Security Information Analyst (P-3), to undertake risk analysis with a view to the safety and security of all United Nations personnel;

(b) One position of Security Assistant (Field Service), to work to ensure the safe passage of personnel, goods and commercial vendors in and out of Camp Faouar on a daily basis (ibid., para. 26).

31. With respect to the proposed establishment of the post of Deputy Force Commander (D-1), the Advisory Committee was informed upon enquiry that it was anticipated that any potential incumbent would be an active-duty officer recruited on a civilian contract and that such an arrangement would be in line with the policy on authority, command and control promulgated by the Department of Peacekeeping Operations and the Department of Field Support. The Committee was also informed that, owing to the prevailing situation in the Syrian Arab Republic, both the Force

Commander and the Deputy Force Commander were required to perform critical liaison functions with both parties to the Agreement on Disengagement. These additional roles and responsibilities had not been envisaged when the functions of the Deputy Force Commander were performed by a Staff Officer who was a member of the military contingent and whose service therefore ranged from 6 to 12 months in duration. In addition, a Deputy Force Commander on a civilian post would also be able to assume the role and functions of Officer-in-Charge/Force Commander in the absence of the Force Commander. Furthermore, the Committee was informed that a commensurate reduction of one Staff Officer (presently performing the role of Deputy Force Commander) under military contingent personnel was not envisaged at this time in the light of the ongoing responsibilities associated with the return of the Force to the Bravo side.

General temporary assistance

32. The estimated requirements for civilian personnel for the period from 1 July 2017 to 30 June 2018 include an amount of $2,054,000 for general temporary assistance, reflecting an increase of $311,900, or 17.9 per cent, compared with the apportionment for 2016/17 under that category.

33. Upon enquiry, the Advisory Committee was informed that the proposed requirements under general temporary assistance included resources for a total of 10 general temporary assistance positions, of which 8 had previously been established and 2, as noted above, were proposed for the period 2017/18. A list of the eight already existing general temporary assistance positions was provided to the Committee upon request. **The Advisory Committee recommends that the General Assembly request the Secretary-General to ensure that all general temporary assistance positions, including continuing positions, are justified in future budget proposals.** The Committee intends to provide further comments on the subject of general temporary assistance in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

34. With respect to the proposed establishment of the position of Security Assistant (Field Service) under general temporary assistance, the Advisory Committee was informed upon enquiry that that position was included in the overall resources in the aforementioned request to enter into commitments for the period 2016/17. The Committee was also informed that the Secretary-General was proposing resources for the continuation of the position in 2017/18.

35. As regards the proposed establishment, also under general temporary assistance, of the position of Security Information Analyst (P-3), the Advisory Committee was informed upon enquiry that the movement of goods and personnel between Damascus and Camp Faouar during the period of the Camp's rehabilitation would require enhanced security support and therefore improved security coordination and analysis by both military and civilian components.

36. **Subject to the observations and recommendations contained in paragraph 28 above, the Advisory Committee recommends the approval of the staffing changes and requested resources for civilian personnel.**

3. Operational costs

(United States dollars)

	Approved 2016/17	*Proposed 2017/18*	*Variance*
Operational costs	11 030 700	19 162 100	8 131 400

37. The estimated requirements for operational costs for the period from 1 July 2017 to 30 June 2018 amount to $19,162,100, representing an increase of $8,131,400, or 73.7 per cent, compared with the apportionment for 2016/17. The higher requirements under several categories are attributable mainly to the return of the Force to Camp Faouar (see also paras. 15 and 18 above).

Official travel

38. The proposed budget includes a provision under official travel in the amount of $756,000, representing an increase of $126,300, or 20.1 per cent, compared with the apportionment for 2016/17. The Advisory Committee was informed that the proposed resources included an amount of $209,000 for 398 trips for travel outside the mission area, including trips to neighbouring countries and to Headquarters in New York in teams comprising, on some occasions, five or more staff members. Furthermore, the Committee requested, but did not receive, a detailed breakdown for travel outside the mission area justifying the need for the related requirements, and underlines the importance of receiving such information as a matter of routine. **The Advisory Committee recommends to the General Assembly a reduction of $20,900 (10 per cent) of the proposed requirements for outside-mission travel under official travel (see also A/71/845).**

Facilities and infrastructure

39. The proposed budget includes a provision under facilities and infrastructure in the amount of $11,733,700, representing an increase of $5,884,800, or 100.6 per cent, compared with the apportionment for 2016/17.

40. Upon enquiry, the Advisory Committee was provided with a table indicating that the Force envisaged an amount of $5,015,000 for 31 alteration and renovation projects[2] and for related technical support in connection with the return to Camp Faouar for the periods 2016/17 and 2017/18 (see annex II to the present report). For the period 2016/17, 11 projects at Camp Faouar had not been foreseen in the approved budget and an amount of $1,545,000 for that purpose was included in the aforementioned request to enter into commitments, with $626,000 having been expended as at 31 January 2017. Under the proposed budget for the period 2017/18, an amount of $3,470,000 is requested for the implementation of 21 projects and related technical support. **While recognizing the significant effort under way to rehabilitate and rebuild Camp Faouar, the Advisory Committee is of the view that, based on expenditure patterns, it is unrealistic that all envisaged alteration and renovation projects will be completed within the budget period 2017/18. The Committee therefore recommends a reduction of $347,000 (10 per cent) to the proposed requirements for alteration and renovation services under facilities and infrastructure.**

Ground transportation

41. The proposed budget includes a provision under ground transportation in the amount of $2,154,600, representing an increase of $430,600, or 25 per cent, compared with the apportionment for 2016/17.

42. The Advisory Committee was informed that, as at 30 June 2018, a total of 141 light vehicles would be in use for 1,397 civilian and military personnel, with the number of users per vehicle ranging from 1 to 11.2, depending on the category of personnel concerned. The Committee was also informed that the vehicle complement also included three light vehicles designated for the sole use of six staff

[2] One project was started in 2016/17 and is expected to continue in 2017/18.

officers from the Observer Group Golan of UNTSO who were assigned to UNDOF. Upon enquiry, the Committee was informed that these three vehicles were provided to the UNTSO staff officers in order to enable them to carry out their duties within UNDOF/Observer Group Golan. The Committee was also informed that no cost-sharing arrangements were in place between UNTSO and UNDOF, although fuel costs for the three vehicles were recovered by UNDOF and then recorded by UNDOF as miscellaneous income, which amounted to $6,230 for the period 2015/16.

43. **The Advisory Committee emphasizes the importance of cooperation among United Nations peacekeeping missions and other entities in the region on a cost-sharing and/or reimbursable basis, whenever feasible. With respect to the support provided to UNTSO in particular, the Committee recommends that the General Assembly request the Secretary-General to ensure that vehicles used by other missions or entities are provided on a fully reimbursable basis, and all related costs are budgeted accordingly.**

44. **Subject to the observations and recommendations contained in paragraphs 38, 40 and 43 above, the Advisory Committee recommends the approval of the resources for operational costs.**

Other matters

Kuwait Joint Support Office

45. The Secretary-General indicates that payroll functions for UNDOF national staff have been processed by the Kuwait Joint Support Office since November 2016 and that, in connection with the centralization of payroll services and other entitlements, one post of UNDOF Finance Assistant (national General Service) has been relocated to the Kuwait duty station. This is a temporary arrangement that will remain in effect pending a wider decision by the General Assembly on the global service delivery model (see A/71/781, para. 29). Upon enquiry, the Advisory Committee was informed that, to date, the Kuwait Joint Support Office had processed UNDOF national staff payroll and payments to staff officers without any disruptions.

46. **While the Advisory Committee does not object to an interim arrangement to support the implementation of Umoja, it recalls that, in accordance with General Assembly resolution 70/248, any changes to the existing and future service delivery model must be approved by the Assembly (see A/71/595, paras. 52-55).** The Committee intends to provide further comments on the centralization of payroll services at the Kuwait Joint Support Office in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

Efficiency gains as a result of the implementation of Umoja

47. Upon enquiry, the Advisory Committee was informed by the Secretariat that efficiency gains which could be attributed to the implementation of Umoja had yielded savings for UNDOF in the amount of $299,600 for the period 2015/16 and $744,300 for the period 2016/17. The Committee notes that no specific savings have been identified in the budget proposal for 2017/18. The Committee intends to provide additional comments with respect to Umoja in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

V. Conclusion

48. The actions to be taken by the General Assembly in connection with the financing of UNDOF for the period from 1 July 2015 to 30 June 2016 are indicated in paragraph 39 of the performance report (A/71/631). **The Advisory Committee recommends that the unencumbered balance of $638,600 for the period from 1 July 2015 to 30 June 2016, as well as other income and adjustments in the amount of $1,996,300, be credited to Member States.**

49. The actions to be taken by the General Assembly in connection with the financing of UNDOF for the period from 1 July 2017 to 30 June 2018 are indicated in paragraph 49 of the proposed budget (A/71/781). **Taking into account its recommendations in paragraphs 28, 38, 40 and 43 above, the Advisory Committee recommends that the General Assembly appropriate the amount of $61,378,700 for the maintenance of UNDOF for the 12-month period from 1 July 2017 to 30 June 2018, should the Security Council decide to extend the mandate of the mission beyond 30 June 2017.**

Documentation

- Budget performance of the United Nations Disengagement Observer Force for the period from 1 July 2015 to 30 June 2016 (A/71/631)
- Budget for the United Nations Disengagement Observer Force for the period from 1 July 2017 to 30 June 2018 (A/71/781)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the budget performance for the period from 1 July 2014 to 30 June 2015 and proposed budget for the period from 1 July 2016 to 30 June 2017 of the United Nations Disengagement Observer Force (A/70/742/Add.1)
- Financial report and audited financial statements for the 12-month period from 1 July 2015 to 30 June 2016 and report of the Board of Auditors, Volume II, United Nations peacekeeping operations (A/71/5 (Vol. II), chap. II)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations and report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2016 (A/71/845)
- Security Council resolutions 2294 (2016) and 2330 (2016)
- General Assembly resolution 70/279, on the financing of the United Nations Disengagement Observer Force

Annex I

Summary of proposed changes for the United Nations Disengagement Observer Force

1 July 2017 to 30 June 2018

Office section/unit	*Number*	*Level*	*Functional title*	*Post action*	*From to*
Component 1: Operations					
Office of the Force Commander, Head of Mission					
	+1	D-1	Deputy Force Commander	Establishment	
Net change	**+1**				
Component 2: Support					
Security Section					
	+1	P-3	Security Information Analyst	Establishment	
	+1	FS	Security Assistant	Establishment	
Net change	**+2**				
Engineering Section					
	-2	NGS	Facilities Management Assistant	Abolishment	
	-1	NGS	Plumber	Abolishment	
	-1	NGS	Carpenter	Abolishment	
	-1	NGS	Generator Mechanic	Abolishment	
Net change	**-5**				
Transport Section					
	-1	NGS	Vehicle Technician	Abolishment	
Net change	**-1**				
Grand total					
International post	+1				
National posts	-6				
Temporary positions	+2				
Total	**-3**				

Abbreviations: FS, Field Service; NGS, national General Service.

Annex II

Alteration and renovation projects for the period from 1 July 2016 to 30 June 2017 and the period from 1 July 2017 to 30 June 2018, United Nations Disengagement Observer Force

(United States dollars)

Project description	*Location*	*Cost estimate for 2016/17[a]*	*Expenditure as at 31 January 2017*	*Cost estimate for 2017/18*	*Total cost*
Force protection/T-walls	Camp Faouar	400 000	150 000	300 000	700 000
Rehabilitation of power systems	Camp Faouar	525 000	–	–	525 000
Rehabilitation of water systems	Camp Faouar	120 000	120 000	–	120 000
Engineering workshop	Camp Faouar	100 000	30 000	–	100 000
Restoration of connectivity	Camp Faouar	10 000	10 000	–	10 000
Installation of cables for communications and information technology	Camp Faouar	40 000	40 000	–	40 000
Rehabilitation of level I hospital	Camp Faouar	40 000	128 000	–	40 000
Rehabilitation of the gym and a temporary kitchen	Camp Faouar	30 000	30 000	–	30 000
Rehabilitation of building 60	Camp Faouar	60 000	18 000	–	60 000
Rehabilitation of the military headquarters	Camp Faouar	120 000	–	–	120 000
Transport workshop	Camp Faouar	100 000	100 000	–	100 000
Rehabilitation of 8 bunkers (S102, S103, S7, S11, S3, S2, S12 and S104)	Camp Faouar	–	–	120 000	120 000
Rehabilitation of building 53	Camp Faouar	–	–	150 000	150 000
Rehabilitation of multi-office	Camp Faouar	–	–	250 000	250 000
Rehabilitation of buildings 121, 122 and 123	Camp Faouar	–	–	150 000	150 000
Fuel station	Camp Faouar	–	–	300 000	300 000
Rehabilitation of wastewater treatment plant	Camp Faouar	–	–	200 000	200 000
Camp Faouar asphalt renovation	Camp Faouar	–	–	200 000	200 000
Rehabilitation of positions 71 and 72	Camp Faouar	–	–	80 000	80 000
Rehabilitation of buildings 118, 150, 147, 146 and 112	Camp Faouar	–	–	250 000	250 000
Rehabilitation of buildings 151, 152 and 153	Camp Faouar	–	–	90 000	90 000
Rehabilitation of buildings 103, 102, 108 and 108A	Camp Faouar	–	–	120 000	120 000
Rehabilitation of buildings 124, 125	Camp Faouar	–	–	200 000	200 000
Rehabilitation of buildings 131, 130, 110 and 129	Camp Faouar	–	–	100 000	100 000
Rehabilitation of buildings 126, 130 and 62	Camp Faouar	–	–	60 000	60 000
Rehabilitation of buildings 133, 132, 128, 127 and 135	Camp Faouar	–	–	200 000	200 000
Rehabilitation of buildings 141, 144 and 145	Camp Faouar	–	–	120 000	120 000
Rehabilitation of buildings 140, 134 and 139	Camp Faouar	–	–	90 000	90 000
Rehabilitation of building 30	Camp Faouar	–	–	50 000	50 000
Rehabilitation of buildings 136, 137 and 168	Camp Faouar	–	–	90 000	90 000

Project description	*Location*	*Cost estimate for 2016/17*[a]	*Expenditure as at 31 January 2017*	*Cost estimate for 2017/18*	*Total cost*
Concrete and cement delivery	Camp Faouar	–	–	100 000	100 000
Technical support	Camp Faouar	–	–	250 000	250 000
Total		**1 545 000**	**626 000**	**3 470 000**	**5 015 000**

[a] None of these projects was foreseen in the approved budget for the period 2016/17; their funding is part of the request for commitment authority.

United Nations A/71/836/Add.3

General Assembly

Distr.: General
13 April 2017

Original: English

Seventy-first session
Agenda item 153
Financing of the United Nations Peacekeeping Force in Cyprus

Budget performance for the period from 1 July 2015 to 30 June 2016 and proposed budget for the period from 1 July 2017 to 30 June 2018 of the United Nations Peacekeeping Force in Cyprus

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2015/16	$52,538,500
Expenditure for 2015/16	$49,490,900
Unencumbered balance for 2015/16	$3,047,600
Appropriation for 2016/17	$54,849,900
Projected expenditure 2016/17[a]	$54,354,600
Projected underexpenditure for 2016/17[a]	$495,300
Proposal submitted by the Secretary-General for 2017/18	$56,040,800
Recommendation of the Advisory Committee for 2017/18	$55,581,000

[a] Estimate as at 31 January 2017.

17-04060 (E) 180417

Please recycle

I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in paragraphs 25, 28 and 35 below would entail a reduction of $459,800 in the proposed budget for the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July 2017 to 30 June 2018 (A/71/763).** The Advisory Committee has made recommendations and observations on specific issues, where appropriate, in the paragraphs below.

2. During its consideration of the financing of UNFICYP, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 24 March 2017. The documents reviewed and those used for background information by the Committee in its consideration of the financing of UNFICYP are listed at the end of the present report. The Committee's detailed comments and recommendations on the findings of the Board of Auditors on United Nations peacekeeping operations and on cross-cutting issues related to United Nations peacekeeping operations can be found in its related reports (see A/71/845 and A/71/836, respectively). The observations of the Board pertaining specifically to UNFICYP are discussed in paragraph 10 below.

II. Budget performance for the period from 1 July 2015 to 30 June 2016

3. By its resolution 69/296, the General Assembly appropriated an amount of $52,538,500 gross ($50,446,700 net) for the maintenance of UNFICYP for the period from 1 July 2015 to 30 June 2016, exclusive of budgeted voluntary contributions. The total amount has been assessed on Member States. Expenditures for the period totalled $49,490,900 gross ($47,326,200 net), leaving an unencumbered balance of $3,047,600 gross ($3,120,500 net) or 5.8 per cent of the total appropriation.

4. The table contained in section III.A of the report of the Secretary-General on the budget performance of UNFICYP for 2015/16 (A/71/580) indicates that the unencumbered balance for the period from 1 July 2015 to 30 June 2016 is attributable to reduced requirements of $1,459,500 under military and police personnel, $286,000 under civilian personnel and $1,302,100 under operational costs.

5. A detailed analysis of variances is provided in section IV of the performance report. The reduced requirements for the military and police personnel were due mainly to a decrease in the number of actual troop rotations compared with the number of estimated rotations provided for in the approved budget for the 2015/16 period, given the change in the periodicity of the rotations from 6 months to 12 months for military contingent personnel deployed after 1 January 2015, in accordance with General Assembly resolution 67/261. The reduced requirements were offset in part by increased requirements for standard troop cost reimbursement owing to a lower actual average vacancy rate of 0.1 per cent compared with the budgeted rate of 1 per cent. The reduced requirements for United Nations police ($243,700, or 10.3 per cent) were primarily attributable to the higher actual average vacancy rate of 8.7 per cent compared with the budgeted rate of 3.0 per cent.

6. The apportionment for civilian personnel for the 2015/16 period was $13,168,300, and expenditures were $12,882,300, leaving a balance of $286,000. The reduced requirements were attributable to lower costs for: (a) international staff

($492,400, or 8.9 per cent), owing to the higher actual average vacancy rate of 3.0 per cent compared with the budgeted vacancy rate of 2.6 per cent and the lower actual average post adjustment rate applied in the computation of international staff salaries; and (b) general temporary assistance ($37,000, or 19.3 per cent). The reduced requirements were offset in part by increases under national staff ($243,400, or 3.3 per cent), attributable primarily to higher actual salary costs.

7. The apportionment for operational costs for the 2015/16 period was $15,784,000, and expenditures were $14,481,900, leaving a balance of $1,302,100. The reduced requirements for facilities and infrastructure were attributable to lower costs for utilities and maintenance services. The reduced requirements were offset in part by increases under the following items: (a) information technology ($179,700, or 18.6 per cent), owing to the higher costs associated with centralized information technology and the acquisition of equipment; and (b) other supplies, services and equipment ($583,000, or 92.8 per cent), attributable mainly to losses owing to exchange rate fluctuations. The observations and comments of the Advisory Committee on exchange rate fluctuations in peacekeeping operations are contained in its report on cross-cutting issues related to peacekeeping operations (A/71/836).

8. During the performance period, the Force continued to facilitate projects, events and activities to contribute to improved intercommunal relations. A total of 200 ceasefire violations occurred in the 2015/16 period compared with 234 in the 2014/15 period, representing a decrease of 14.5 per cent (see A/71/580, expected accomplishment 2.1). Nevertheless, an increase in law enforcement activities occurred in 2015/16 as a result of violations in the buffer zone, where hunting activities and illegal dumping had occurred (ibid., expected accomplishment 3.1). With regard to confidence-building measures, the Advisory Committee was informed, upon enquiry, that UNFICYP had: (a) surveyed and cleared three minefields in northern Cyprus; (b) surveyed and cleared one suspected hazardous area in the buffer zone; (c) conducted an explosive ordinance disposal spot task; and (d) cleared a battle area to support the work of the Committee on Missing Persons.

9. The comments of the Advisory Committee on the information presented in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2017 to 30 June 2018.

Matters pertaining to the report of the Board of Auditors

10. The Advisory Committee also considered the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2016 (A/71/5 (Vol. II), chap. II). As noted in the report, 17 civilian staffing reviews have been conducted over the past four years (ibid., para. 252). Upon enquiry, the Committee was informed that a civilian staffing review for UNFICYP had not yet been conducted (see also para 16 below).

III. Information on performance for the current period

11. The Advisory Committee was informed that as at 31 January 2017 a total of $600,008,000 had been assessed on Member States in respect of UNFICYP since its inception. Payments received as at that date amounted to $574,962,000, leaving an outstanding balance of $25,046,000. Upon enquiry, the Committee was informed that as at 3 April 2017 the cash balance of the mission was $18,688,000. After subtracting a three-month operating cash reserve of $12,549,000, the remaining cash available was $6,139,000.

12. Upon enquiry, the Advisory Committee was informed that in March 2017 payments to troop-contributing countries for reimbursement for standard troop costs in the amount of $3.4 million were made for the period from November 2016 to January 2017. For the period from July to September 2016, payments in the amount of $362,780 were made for reimbursement for contingent-owned equipment.

13. With regard to death and disability compensation, an amount of $1,715,000 had been paid since the inception of the Force in respect of 287 claims as at 31 January 2017. The Advisory Committee was informed that there were no pending death or disability claims.

14. The Advisory Committee was provided with a table showing current and projected expenditure for the 2016/17 period, which included the reasons for variances. The apportionment for the period from 1 July 2016 to 30 June 2017 amounts to $54,849,900 gross and expenditure as at 31 January 2017 amounted to $34,713,600 gross. At the end of the current financial period, estimated total expenditure would amount to $54,354,600, leaving a projected unencumbered balance of $495,300.

15. The Advisory Committee was also informed that, as at 31 January 2017, the incumbency of the mission was as follows:

Category	*Authorized approved*[a]	*Planned*	*Encumbered*	*Vacancy rate (percentage)*
Military contingent personnel	888	888	885	0.3
United Nations police	69	69	69	–
International staff	36	36	34	5.6
National Professional Officers	4	4	2	50.0
National General Service	115	115	113	1.7

[a] Represents the highest authorized strength for the period for military and police personnel and the approved posts for civilian personnel.

16. In paragraph 8 of its resolution 70/273, the General Assembly endorsed the recommendation of the Advisory Committee that UNFICYP conduct a civilian staffing review prior to the submission of its budget for the 2017/18 period. Upon enquiry, the Committee was informed that the Department of Peacekeeping Operations and the Department of Field Support had initiated the civilian staffing review in 2015. The Committee was also informed that in May 2015 intercommunal talks and political negotiations had resumed and that, as a result, efforts had been shifted to contingency and transition planning for a potential settlement. Furthermore, in its resolution 2263 (2016), the Security Council confirmed the importance of transition planning in relation to the settlement, including recommendations as appropriate for further adjustments to the UNFICYP mandate, force levels and other resources, and concept of operations. The Committee was informed that as a result of the aforementioned events, a civilian staffing review had not been not conducted prior to the submission of the budget for the 2017/18 period. **The Advisory Committee expresses its disappointment that the mandate given by the General Assembly was not fulfilled and considers the explanations given by the Secretariat unsatisfactory. The Committee reiterates that civilian staffing reviews should be conducted on a regular basis and recommends that the General Assembly request the Secretary-General to conduct the civilian staffing review of UNFICYP prior to the submission of the budget for 2018/19.**

IV. Proposed budget for the period from 1 July 2017 to 30 June 2018

A. Mandate and planned results

17. The mandate of UNFICYP was established by the Security Council in its resolution 186 (1964) and subsequently extended, most recently in resolution 2338 (2017) until 31 July 2017.

18. The planning assumptions and mission support initiatives for the 2017/18 period are described in paragraphs 6 to 15 of the report of the Secretary-General on the proposed budget for UNFICYP for 2017/18 (A/71/763). As indicated in paragraphs 6 and 7 of the report, during the budget period, UNFICYP will continue to focus on creating conditions conducive to the achievement of a comprehensive settlement of the Cyprus problem and a return to normal conditions. The progress made in the negotiations, a demined buffer zone, the opening of seven crossing points and the expected opening of two additional crossing points by the end of 2017 have led to an increase in the number of intercommunal activities supported by UNFICYP and an increased desire on the part of civilians to farm, hunt, build and work in the buffer zone (see also A/69/839/Add.7, para. 13). The Secretary-General indicates that, as civilian activities in the buffer zone are expected to increase, additional work will be required from the Force to reduce and manage any potential increase in tension between the two communities.

19. In paragraphs 8 and 9 of his report, the Secretary-General indicates that UNFICYP will continue to facilitate implementation of confidence-building measures requested and agreed upon by the leaders of both communities. Such measures will include the opening of new crossing points and demining. As the sides move towards a settlement, UNFICYP will also continue to coordinate transition planning on the ground in collaboration with United Nations Headquarters, in line with Security Council resolutions 2263 (2016) and 2300 (2016).

20. As reflected in paragraph 10 of the report, UNFICYP will continue to assist the Special Representative of the Secretary-General/Head of Mission, in her role as principal adviser and deputy to the Special Adviser of the Secretary-General on Cyprus, in her efforts to support the full-fledged negotiations between the Greek Cypriot and Turkish Cypriot leaders. UNFICYP will also continue to be the designated safe haven for the United Nations missions in the region and the administrative place of assignment for United Nations entities operating in the Syrian Arab Republic and Yemen (see A/71/763, para. 16).

B. Resource requirements

21. The proposed budget for UNFICYP for the period from 1 July 2017 to 30 June 2018 provides for the deployment of 888 military contingent personnel, 69 police officers, 38 international staff and 122 national staff. The proposed budget amount of $56,040,800 gross ($53,790,400 net) represents an increase of $1,190,900, or 2.2 per cent, in gross terms, compared with the appropriation of $54,849,900 for the 2016/17 period. The proposed increase reflects additional requirements for military and police personnel ($663,200, or 2.8 per cent) and operational costs ($634,200, or 3.5 per cent), offset in part by reduced requirements for civilian personnel ($106,500, or 0.8 per cent). Detailed information on the financial resources requested and an analysis of the variances are provided in sections II and III of the proposed budget.

22. The Advisory Committee notes that for the 2017/18 period, budgeted voluntary contributions in kind would amount to $651,200 from the Government of Cyprus, compared with $710,200 budgeted for 2016/17. In addition, the proposed budget for UNFICYP for 2017/18 includes non-budgeted voluntary contributions estimated at $849,100 (see A/71/763, para. 36). As indicated in the report, that amount is included under the provisions of the status-of-forces agreement. **The Advisory Committee notes with appreciation the continued voluntary contributions.**

1. Military and police personnel

Category	*Authorized approved 2016/17*[a]	*Proposed 2017/18*	*Variance*
Military contingents	888	888	–
United Nations police	69	69	–

[a] Represents highest level of authorized strength.

23. The proposed requirement of $23,956,400 for military and police personnel represents an increase of $663,200, or 2.8 per cent, which is primarily attributable to the impact of the increase from $1,365 to $1,410 in the rate of reimbursement for standard troop costs. Upon enquiry, the Advisory Committee was informed that the proposed budget for 2017/18 also reflected the change in the periodicity of troop rotations from every 6 months to every 12 months. **The Advisory Committee recommends approval of the proposed resources for military and police personnel.**

2. Civilian personnel

Category	*Approved 2016/17*	*Proposed 2017/18*	*Variance*
International staff	36	38	2
National staff[a]	119	122	3

[a] Includes National Professional Officers and national General Service staff.

24. The proposed requirement of $13,436,600 for civilian personnel costs represents a decrease of $106,500, or 0.8 per cent. The Secretary-General indicates that the decrease is primarily a result of: (a) a more favourable exchange rate (0.96 euro per United States dollar) compared with the 2016/17 budget period (0.91 euro per United States dollar); (b) the application of a higher vacancy factor of 4 per cent for national General Service staff, compared with 3 per cent in 2016/17; and (c) the application of a lower post adjustment rate compared with 2016/17. The decreased requirements are offset in part by the costs of six proposed civilian posts.

25. The Secretary-General proposes the establishment of six new posts and the abolishment of one existing post in the 2017/18 budget. The proposed new posts are as follows: one Gender Affairs Officer (P-3); three Programme Management Assistants (national General Service); one Contracts Management Assistant (national General Service); and one Human Resources Officer (P-3). One Finance Assistant (national General Service) is proposed to be abolished. The proposed staffing changes are as follows:

(a) Establishment of one post of Gender Affairs Officer (P-3) in the Office of the Special Representative of the Secretary-General. Upon enquiry, the Advisory Committee was informed that the post was proposed to ensure that UNFICYP

achieves the goals set out in resolution 1325 (2000) and all subsequent Security Council resolutions on women, peace and security (most recently 2242 (2015)). In his report, the Secretary-General indicates that UNFICYP does not have dedicated staff to perform functions related to gender issues. In its recent resolutions extending the mandate of the Force, the Security Council observed that active participation of civil society groups, including women's groups, was essential to the political process and could contribute to making any future settlement sustainable, and recalled that women played a critically important role in peace processes. Upon enquiry, the Committee was informed that implementing the gender mainstreaming mandate, as outlined in the gender forward-looking strategy 2014-2018 of the Department of Peacekeeping Operations and the Department of Field Support, would increase workload significantly. **The Advisory Committee recommends the establishment of the post of Gender Affairs Officer (P-3);**

(b) Establishment of three posts of Programme Management Assistant (national General Service) in the Civil Affairs Section. The posts are requested in order to provide continuity and an understanding of the local context and culture and the language skills required to liaise with local farmers and community leaders. In addition, the Secretary-General notes that the number of applications for permits for civilian activities in the buffer zone will increase, which will increase the workload of the Civil Affairs Section (see A/71/763, paras. 25 and 26). Upon enquiry, the Committee was informed that the number of permit applications had grown from 461 in 2011 to 1,723 in the 12 months ending July 2016, and that no new national General Service staff had been established in the Civil Affairs Section since 2007. The Committee was also informed that the three posts were requested in order to ensure adequate administration of civilian activities in the buffer zone and to effectively process permits, support activities related to outreach to farmers and community liaison work and map the increasingly complex activities in the buffer zone. The Committee was further informed that national civil affairs staff were best suited to gathering information on and assessing changes in local perceptions, because they could draw on local knowledge and speak the local languages and were therefore best placed to communicate consistent messages from the Force to the increasing number of civilians who wish to use the buffer zone. Upon enquiry, however, the Committee was informed that the number of applications anticipated for the 2017/18 period was expected to remain steady, at approximately 1,700. **The Advisory Committee is not fully convinced that the extent of the growth in workload for civilian activities during the 2017/18 period justifies the establishment of three additional posts. Nevertheless, given the amount of community liaison work in the Civil Affairs Section, the Committee recommends the establishment of one Programme Management Assistant post. The Committee recommends against the establishment of the other two Programme Management Assistant posts. Any related non-post resources should be adjusted accordingly;**

(c) Establishment of one post of Contracts Management Assistant (national General Service) in the Office of the Chief of Mission Support. The establishment of the post is proposed as UNIFCYP does not currently have dedicated staff performing contract management functions, which the Secretary-General suggests hinders the ability of the Force to manage contracts adequately. The incumbent would ensure effective management of contracts for the acquisition of goods and services and would assist in monitoring quality assurance plans for contracts (see A/71/763, para. 31). Upon enquiry, the Committee was informed that self-accounting units are currently managing local contracts. The Committee was also informed that the Contract Management Assistant would focus on the formal governance of local contracts and their associated risks, while also providing support and advice to the self-accounting units, which would allow those units to

focus on operational issues in their respective areas. **The Advisory Committee is not convinced that the establishment of a dedicated post is justified. Accordingly, the Committee recommends against the establishment of the post of Contracts Management Assistant at the national General Service level. Any related non-post resources should be adjusted accordingly;**

(d) Establishment of one post of Human Resources Officer (1 P-3) in the Human Resources Management Section. The post is requested in order to reduce delays in the implementation of plans and programmes aimed at providing effective and efficient support and improving client service in the various areas of human resources management. The incumbent would provide the leadership and change management skills required to address shortfalls in the areas of professional development and training, recruitment and onboarding of personnel. The Secretary-General indicates that one P-4 Human Resources Management Officer, four Human Resources Assistants (national General Service) and one Travel Assistant (national General Service) already exist in the Human Resources Management Section. Upon enquiry, the Committee was informed that the existing P-4 Human Resources Management Officer was conducting the activities proposed for the new P-3 post in addition to her regular duties. **Based on the workload indicated for the proposed Human Resources Officer, the Advisory Committee is not convinced of the need to establish a new post in the Human Resources Management Section. Accordingly, the Committee recommends against the establishment of the post of Human Resources Officer (P-3), and any related non-post resources should be adjusted accordingly;**

(e) Abolishment of one post of Finance Assistant (national General Service). The post is proposed to be abolished as a result of the roll-out of Umoja cluster 5.[1] The Secretary-General notes that since November 2016, payroll for UNFICYP national staff has been processed by the Kuwait Joint Support Office. As a result, one Finance Assistant post is proposed to be abolished, while another has been relocated to the Kuwait Joint Support Office on a temporary basis (see A/71/763, para. 35). The Committee recalls that it was informed, upon enquiry, that centralization of payroll services at the Kuwait Joint Support Office was intended to be an interim arrangement to support the implementation of Umoja pending further consideration by the General Assembly in the context of the global service delivery model for the Secretariat (see A/71/595, para. 54). The Committee's observations and recommendations with respect to the Kuwait Joint Support Office are contained in its report on cross-cutting issues related to peacekeeping operations (A/71/836). **The Advisory Committee reiterates that while it does not object to an interim arrangement to support the implementation of Umoja, it recalls that, in accordance with General Assembly resolution 70/248, any changes to the existing and future service delivery model must be approved by the Assembly (see A/71/595, para. 55). The Committee recommends approval of the abolishment of one post of Finance Assistant (national General Service).**

26. **Subject to its comments and recommendations in paragraph 25 above, the Advisory Committee recommends approval of the Secretary-General's proposals for civilian personnel for 2017/18. Any related non-post resources should be adjusted accordingly.**

[1] Umoja Extension 1 functions for peacekeeping and special political missions (national staff and individual uniformed personnel).

3. Operational costs

Apportionment 2016/17	*Proposed 2017/18*	*Variance*
$18 013 600	$18 647 800	$634 200

27. Operational costs for the period from 1 July 2017 to 30 June 2018 are estimated at $18,647,800, reflecting an increase of $634,200, or 3.5 per cent, compared with the apportionment for 2016/17. The increase is primarily attributable to increased requirements for official travel, energy efficiency initiatives under facilities and infrastructure, the purchase of vehicles and communications, offset in part by lower requirements for information technology.

Official travel

28. The estimated requirements for official travel for non-training purposes for the period 2017/18 amount to $225,800, an increase of $24,800, or 12.3 per cent. Upon enquiry, the Advisory Committee was provided with additional information on outside mission travel. The Committee noted that multiple travellers were proposed to travel to the same destination and that adequate justification was not provided for the operational requirements that necessitated the attendance of multiple travellers at meetings in the same location. **The Advisory Committee recalls that, since 2011, the General Assembly has endorsed a number of measures aimed at improving the effectiveness and efficiency of resources dedicated to air travel. The Committee therefore recommends a 15 per cent ($46,000) overall reduction to the proposed resources under official travel for 2017/18 for UNFICYP.**

Facilities and infrastructure

29. During the 2016/17 period, UNFICYP implemented energy efficiency measures with the view to increasing the use of renewable energy and decreasing the consumption of fossil fuel. For the 2017/18 period, the Secretary-General estimates resource requirements for facilities and infrastructure in the amount of $7,948,900, or 4.1 per cent higher than in the 2016/17 period, which is attributable to: (a) the proposed installation of additional solar panels and the continuation of the Greening Initiative 2020/50, which will enable the Force to produce up to 50 per cent of its electricity from renewable energy; and (b) the proposed acquisition of two environmentally friendly waste treatment plants. Upon enquiry, the Advisory Committee was informed that, while the installation of solar panels is expected to generate savings over time by reducing the quantity of fuel consumed, the impact of the solar panels on energy costs will not be fully achieved until the panels are completely installed and in production, which is expected to take place by the end of the 2018/19 period. The Committee's observations and recommendations with respect to energy efficiency and the environment are contained in its report on cross-cutting issues related to peacekeeping operations (A/71/836).

Mine action programme

30. The estimated requirements of $2,558,600 for other supplies, services and equipment for the 2017/18 period represent a decrease of $89,700 from the previous period that is mainly attributable to lower costs for mine clearance activities. An amount of $1,768,100, or a 9.3 per cent decrease compared with the 2016/17 period, is proposed for services that will continue to be managed and supervised by the Mine Action Service and contracted through the United Nations Office for Project Services (see A/71/763, para. 45). The Secretary-General indicates that demining activities during the 2017/18 period will be in line with those in the 2016/17 period

and include preventing disruptions in minefield clearance areas in preparation for the potential settlement and supporting the Committee on Missing Persons through the removal of explosive remnants of war at sensitive sites (ibid., para. 45). The Advisory Committee provides observations and recommendations with respect to demining activities as part of a broader consideration of mission programmatic activities in its report on cross-cutting issues related to peacekeeping operations (A/71/836).

Ground transportation

31. The estimated requirements for ground transportation for the period amount to $2,961,300, an increase of $438,100, or 17.4 per cent, compared with the 2016/17 period. The Secretary-General indicates that the increase in 2017/18 is attributable mainly to the proposed acquisition of 24 vehicles in line with the results of the cost-benefit analysis conducted by the Force, which was mandated by the General Assembly in resolution 70/273 (see also A/70/742/Add.7, paras. 30 and 31).

32. Upon enquiry, the Advisory Committee was informed that the cost-benefit analysis compared the cost of purchasing versus leasing 99 vehicles, which is the current size of the leased fleet, over a period of five years. The analysis showed that it would cost $5.4 million to lease 99 vehicles for five years, whereas the total cost of acquiring the same number of vehicles would amount to $4.2 million, inclusive of $2.8 million to acquire the vehicles and $1.4 million for the incremental costs of maintenance and insurance over five years. Upon enquiry, the Committee was also informed that the lease for the Mission's vehicles was effective 1 July 2016 and that the term was for three years, with the option to renew for an additional 18 months.

33. Upon request, the Advisory Committee was provided with information on the phased replacement of the vehicles currently leased by the Force, which did not include all vehicle replacements for the next five years. The Committee was informed that, of the 24 vehicles proposed to be purchased during the 2017/18 period, 5 minibuses would be purchased to replace old vehicles that had exceeded their useful lives and 19 light passenger vehicles would be purchased to begin the five-year plan to phase out the lease of vehicles. The Committee was also provided with the following breakdown of UNFICYP vehicles to be acquired from 2017/18 to 2021/22:

Type of vehicle	*2017/18*	*2018/19*	*2019/20*	*2020/21*	*2021/22*	*Total*
Sedan, heavy				2		2
Sedan, light and medium				4	20	24
Minibus, 9-17 seater				1		1
Minibus 18 seater				1		1
Delivery van				3		3
Pick-up, 4x4	19	20	20	–		59
Refrigerated vans, light and medium				6		6
Bus, medium, 18-30 seater				3		3
Total	**19**	**20**	**20**	**20**	**20**	**99**

34. Upon enquiry, the Advisory Committee was informed that UNFICYP vehicle ratios were above the standard ratios for the following categories: international civilian personnel in substantive offices, security and safety sections and conduct and discipline teams; international civilian personnel in integrated support services

sections; international civilian personnel in administrative services sections and National Professional Officers. The Committee was also informed that, while the ratio calculation is based on the number of international staff in the first three categories, the allocation of vehicles is based on operational requirements. Given the size and operating environment of UNFICYP, many functions are performed by national staff, who are not included in the ratio calculation but need vehicles to perform their functions. The Committee has repeatedly sought clarification about the application of the standards contained in the Standard Cost and Ratio Manual as a basis for the formulation of budgets (see, for instance, A/69/839, para. 68).

35. **The Advisory Committee recommends that, given that the number of vehicles for the four categories of personnel exceeds the standard ratios, UNFICYP limit its purchase of light vehicles to 15 during the 2017/18 period and that the resource requirements be adjusted accordingly. The decrease in the number of vehicles for purchase resulting from the Committee's recommendation should not result in an increased number of planned leased vehicles.**

36. **Subject to its observations and recommendations contained in paragraphs 25, 28 and 35 above, the Advisory Committee recommends the approval of the proposal of the Secretary-General regarding the operational costs and associated non-post personnel costs for the 2017/18 period.**

V. Conclusion

37. The actions to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2015 to 30 June 2016 are indicated in paragraph 38 of the performance report (A/71/580). **The Advisory Committee recommends that the unencumbered balance of $3,047,600 and other income and adjustments in the amount of $982,100 be credited to Member States.**

38. The actions to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2017 to 30 June 2018 are indicated in paragraph 57 of the proposed budget (A/71/763). **Taking into account its recommendations in paragraphs 25, 28 and 35 above, the Advisory Committee recommends that the General Assembly appropriate an amount of $55,581,000 for the maintenance of the Force for the 12-month period from 1 July 2017 to 30 June 2018, including $24,294,400 to be funded through voluntary contributions from the Government of Cyprus ($17,794,400) and the Government of Greece ($6,508,000).**

Documentation

- Report of the Secretary-General on the budget performance of the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2015 to 30 June 2016 (A/71/580)
- Report of the Secretary-General on the budget for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2017 to 30 June 2018 (A/71/763)
- Financial report and audited financial statements for the 12-month period from 1 July 2015 to 30 June 2016 and report of the Board of Auditors, Volume II, United Nations peacekeeping operations (A/71/5 (Vol. II))

- Report of the Advisory Committee on Administrative and Budgetary Questions on the budget performance for the period from 1 July 2014 to 30 June 2015 and proposed budget for the period from 1 July 2016 to 30 June 2017 of the United Nations Peacekeeping Force in Cyprus (A/70/742/Add.7)
- General Assembly resolutions 69/296 and 70/273 on the financing of the United Nations Peacekeeping Force in Cyprus
- Security Council resolutions 2300 (2016) and 2338 (2017)

United Nations A/71/836/Add.4

General Assembly

Distr.: General
18 April 2017

Original: English

Seventy-first session
Agenda item 157
Financing of the United Nations Interim Administration Mission in Kosovo

Budget performance for the period from 1 July 2015 to 30 June 2016 and proposed budget for the period from 1 July 2017 to 30 June 2018 of the United Nations Interim Administration Mission in Kosovo

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2015/16	$40,031,000
Expenditure for 2015/16	$39,304,800
Underexpenditure for 2015/16	$726,200
Appropriation for 2016/17	$36,486,900
Projected expenditure for 2016/17[a]	$36,017,900
Projected underexpenditure for 2016/17[a]	$469,000
Proposal submitted by the Secretary-General for 2017/18	$38,016,600
Recommendation of the Advisory Committee for 2017/18	$37,898,200

[a] Estimates as at 31 January 2017.

17-04061 (E) 210417

Please recycle

I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in paragraphs 27 and 29 below would entail a reduction of $118,400 in the proposed budget for the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 1 July 2017 to 30 June 2018 (A/71/759 and Corr.1 and 2).** The Advisory Committee has made recommendations and observations on specific issues, where appropriate, in the paragraphs below.

2. During its consideration of the financing of the Mission, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 27 March 2017. The documents reviewed and those used for background information by the Committee in its consideration of the financing of UNMIK are listed at the end of the present report. The Committee's detailed comments and recommendations on the findings of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2015 to 30 June 2016 and on cross-cutting issues related to United Nations peacekeeping operations can be found in its related reports (A/71/845 and A/71/836). The observations and recommendations of the Board pertaining specifically to UNMIK are discussed in paragraphs 5-7 below.

II. Budget performance for the period from 1 July 2015 to 30 June 2016

3. In its resolution 69/300, the General Assembly appropriated an amount of $40,031,000 gross ($36,270,200 net) for the maintenance of UNMIK for the period from 1 July 2015 to 30 June 2016. The total expenditure for the period amounted to $39,304,800 gross ($35,766,900 net), which is $726,200 gross ($503,300 net) lower than the amount appropriated by the General Assembly, corresponding to a budget implementation rate of 98.2 per cent. A detailed analysis of variances is provided in section IV of the performance report (A/71/615). The underexpenditure is mainly attributable to reduced requirements for civilian personnel, including $2,855,900, or 13.2 per cent, for international staff as a result of a lower actual average post adjustment multiplier and a higher actual average vacancy rate; and $636,800 under national staff owing to a lower average actual salary rate for national General Service staff.

4. The lower requirements, according to the Secretary-General, were offset in part by increased requirements of $3,144,900, or 42.2 per cent, for operational costs, attributable mainly to: (a) the settlement of a claim for non-consensual use of premises; (b) additional expenditures for alteration and renovation services; (c) implementation of rule of law programmatic activities; and (d) individual contractor fees related to the relocation to the new headquarters in Pristina. The Secretary-General indicates that 8.5 per cent of the total appropriation of $40,031,000 was redeployed to operational costs (ibid., sect. III.B). The Advisory Committee comments further on the redeployment of funds for operational costs in paragraphs 32-36 below.

Observations and recommendations of the Board of Auditors regarding the United Nations Interim Administration Mission in Kosovo

5. The Advisory Committee also considered the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial

period ended 30 June 2016 (A/71/5 (Vol. II), chap. II). With respect to UNMIK, the Board observed, inter alia, that over the past three financial years, UNMIK had not carried out any annual evaluations of those projects considered by the Board to be quick-impact projects, and that UNMIK needed to ensure the timely approval and release of funds for quick-impact projects so that the purposes of such projects could be optimally served (ibid., para. 390). The Committee was informed, upon enquiry, that UNMIK and the Department of Field Support did not accept the Board's observations regarding the nature of the projects, which they considered to be "confidence-building measures" rather than quick-impact projects. UNMIK also did not accept the reporting requirements on the projects as indicated by the Board. The Committee was further informed that the Mission carefully selected the projects and conducted monitoring and assessment during the life of projects, and therefore that no additional impact assessments were required.

6. The Advisory Committee was informed that the Mission considered that there was no deviation from established policy guidance on quick-impact projects, since the projects were not quick-impact projects, but rather were programmatic in nature, specifically under the rule of law pillar, and that they should have been reflected in the budget as funds required in support of programme delivery. The Committee notes that some lack of clarity has emerged over time concerning the classification of these projects. The Committee recalls that in 2007, the General Assembly recognized that quick-impact projects could be used by United Nations peacekeeping operations to establish and build confidence in individual missions, their mandates and the peace process (see resolution 61/276, sect. XVIII, para. 4). The Committee also notes that the proposed budgets for UNMIK prior to the period 2013/14 did not include proposals for quick-impact projects, and that in the 2013/14 budget proposal, the Secretary-General indicated that in the area of community confidence-building, the Mission's role would be substantially enhanced by the establishment of funds for quick-impact projects (see A/67/700, para. 11). However, in its resolution 67/276, the Assembly made no reference to quick-impact projects and decided, as an ad hoc measure for the Mission, to approve the amount of $425,000 for the purpose of implementing confidence-building projects aimed at promoting reconciliation among communities (see resolution 67/276, para. 9). **The Advisory Committee is therefore of the view that a clearer definition of the various types of activities is required so as to facilitate a clear understanding of the activities and ensure their proper budgeting (see also paras. 32-36 below).** The Committee's detailed comments and recommendations on this matter are contained in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

7. In the financial report and audited financial statements and report of the Board of Auditors (A/71/5 (Vol. II)), the chronic cash-strapped status of UNMIK was noted; it was also pointed out that the Mission had had to borrow from closed missions during the year and that the loan payable balance as at 30 June 2016 stood at $26.5 million (ibid., chap. IV, para. 9; see also para. 11 below).

8. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2017 to 30 June 2018 in section IV below.

III. Financial position and information on performance for the current period

9. The apportionment for the current period amounts to $36,486,900. The Advisory Committee was provided with information indicating that, as at 31 January 2017, the expenditures amounted to $20,676,600 and that the projected total expenditure as at 30 June 2017 would amount to $36,017,900, leaving a projected unencumbered balance of $469,000, or 1.3 per cent, of the appropriation approved for the 2016/17 period. The Committee comments further on this matter in paragraphs 33-36 below and in its report on cross-cutting issues related to United Nations peacekeeping operations (A/71/836).

10. The Advisory Committee was provided with the following information, as at 31 January 2017, concerning the incumbency of UNMIK military, police and civilian posts:

Category	*Approved*	*Encumbered*	*Vacancy rate (percentage)*
Military observers[a]	8	8	–
United Nations police[a]	9	7	22.2
International staff	112	96	14.3
National General Service staff	219	214	2.3
United Nations Volunteers	24	21	12.5

[a] Represents the highest approved strength for the period.

11. The Advisory Committee was also informed that, as at 8 March 2017, a total of $3,046,617,000 had been assessed on Member States in respect of UNMIK since its inception. Payments received at the same date amounted to $3,017,254,000, leaving an outstanding balance of $29,363,000. The cash position of the Mission was $3,811,000 as at 6 March 2017, and the three-month operating cash reserve amounted to $9,122,000. **The Advisory Committee reiterates its concern that the cash position of the Mission does not cover the three-month operating cash reserve (see A/70/742/Add.10, para. 8). The Committee recalls that the General Assembly has consistently stressed that all Member States should fulfil their financial obligations as set out in the Charter of the United Nations on time, in full and without conditions, for instance, in paragraph 2 of its resolution 70/277.**

IV. Proposed budget for the period from 1 July 2017 to 30 June 2018

A. Mandate and planned results

12. The mandate of UNMIK was established by the Security Council in its resolution 1244 (1999). Paragraphs 1-17 of the Secretary-General's budget proposal (A/71/759 and Corr.1 and 2) set out the mandate, planned results, planning assumptions and mission support initiatives for the 2017/18 period. The Secretary-General indicates in his report that UNMIK is headed by the Special Representative of the Secretary-General, who ensures a coordinated approach by the international presence, including the Kosovo Force (KFOR) and the European Union Rule of Law Mission in Kosovo (EULEX). EULEX is deployed under Security Council

resolution 1244 (1999) and operates under the overall authority of the United Nations.

13. The Secretary-General indicates that pursuant to Security Council resolution 1244 (1999), the strategic objective of the Mission remains to strengthen and consolidate peace, security, the rule of law and stability in Kosovo and the region (ibid., para. 6). The Mission's main priorities during the budget period will include: (a) improvement of relations through diplomatic engagement with local, regional and international interlocutors, including international organizations present in Kosovo and major bilateral organizations; (b) provision of support to local institutions in the areas of rule of law and human rights; (c) facilitation of support to the reconciliation and integration of minority communities, including through its good offices, to improve relations among all communities within Kosovo, at all levels; and (d) strengthening its capacities for information collection and predictive analysis (ibid., paras. 6-14). The Mission will also continue to coordinate with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) on issues affecting women (ibid., para. 15) and will continue to implement actions that will help mitigate the environmental impact of its operations (ibid., para. 17).

14. The Secretary-General proposes to further strengthen the Mission's relationship with key international partners, including KFOR, the Office of the European Union Special Representative, the Organization for Security and Cooperation in Europe, EULEX, the Council of Europe and other European actors, including through regular consultations at the leadership level. He indicates that UNMIK will continue its collaboration with the United Nations Kosovo Team, including through its integrated assessment and planning process, to maximize the efficiency of United Nations resources in Kosovo, and that the Mission and the United Nations Kosovo Team will continue to jointly focus on governance and rule of law issues (ibid., paras. 18-20).

B. Resource requirements

15. The proposed budget for the period from 1 July 2017 to 30 June 2018 amounts to $38,016,600 gross ($34,457,200 net), representing a 4.2 per cent budgetary increase amounting to $1,529,700 in gross terms compared with the appropriation for 2016/17, owing mainly to increased police, post and programmatic requirements, offset by decreases in national staff, facilities and infrastructure, and communications needs. Detailed information on the financial resources requested and an analysis of the variances are provided in sections II and III of the report of the Secretary-General on the proposed budget (ibid., paras. 32-52).

1. Military and police personnel

Category	*Approved 2016/17*	*Proposed 2017/18*	*Variance*
Military observers[a]	8	8	–
United Nations police[a]	9	10	1

[a] Represents the highest approved strength for the period.

16. The proposed requirements for military and police personnel during the 2017/18 period amount to $695,700, representing a 0.5 per cent decrease of $3,800 compared with the apportionment for 2016/17. The number of military personnel would remain unchanged with eight military observers, but the proposal includes an increase in the number of United Nations police officers from 9 to 10. The

Secretary-General indicates that the establishment of one additional United Nations police position in the Office of the Police Adviser would enhance the Mission's capacity to meet demands for the issuance, processing and referral of an estimated 3,000 International Criminal Police Organization (INTERPOL) cases, given that support for those activities had been provided by a co-located unit comprising EULEX and UNMIK, and that EULEX had reduced the staffing of the unit from 8 staff to 3 in November 2016 (ibid., para. 16). The Advisory Committee was informed, upon enquiry, that the additional police officer would work on the preparation of documentation relating to requests received for the issuance of international notices for individuals sought by the authorities, and on the processing and referral of cases for investigation by the relevant actors in Kosovo. The Committee was also informed that the addition of one United Nations police officer in the Office of the Senior Police Adviser would ensure that UNMIK can continue to fulfil its mandated tasks relating to international notices for individuals sought by the authorities and INTERPOL cases, notwithstanding the downsizing of EULEX.

17. The decreased requirements are attributable to changes in the applied exchange rate of 0.96 euro to 1 United States dollar in the 2017/18 period. **The Advisory Committee recommends approval of the proposed resources for military and police personnel for the 2017/18 period.**

2. Civilian personnel

Category	*Approved 2016/17*	*Proposed 2017/18*	*Variance*
International staff	112	112	–
National staff[a]	219	219	–
United Nations Volunteers	24	24	–
Total	**355**	**355**	–

[a] Includes National Professional Officers and national General Service staff.

18. The proposed requirement for civilian personnel during the 2017/18 period amounts to $28,218,700, representing a 2.8 per cent increase amounting to $757,900 compared with the apportionment for 2016/17.

19. The increased requirements are attributable mainly to: (a) requirements related to two D-1 posts and one P-4 post that the General Assembly decided not to abolish but for which there were no provisions made in the approved budget for the 2016/17 period; (b) the application of a higher percentage of common staff costs, at 67.1 per cent of net salaries for the 2017/18 period, compared to 57.6 per cent of net salaries provided for in the 2016/17 period; and (c) an increase of 7.8 per cent owing to the revised salary scale for national staff. The increased requirements would be offset in part by decreases attributable mainly to the applied exchange rate of 0.96 euro to 1 United States dollar, compared to a rate of 0.91 applied in the 2016/17 period.

20. The only proposed change in staffing relates to the redeployment of 1 national General Service post from the Office of Community Support and Facilitation to support the workload and operational requirements of the Human Rights Section (ibid., para. 23).

Mission posts previously proposed for abolishment

21. As indicated in paragraph 19 above, the Secretary-General indicates in his report that the increased requirements under civilian personnel are attributable in part to the requirements related to two D-1 posts and one P-4 post for which there

were no provisions made in the approved budget for the 2016/17 period (ibid., para. 45). The Advisory Committee recalls the proposal of the Secretary-General in the 2016/17 budget period, based on the outcome of a civilian staffing review, to abolish a number of posts in the Mission, including the post of Chief Legal Affairs Officer (D-1), one D-1 post in the Office of Community Support and Facilitation and one P-4 post in the Mitrovica Regional Office (see A/70/707), which the Advisory Committee supported. The General Assembly took note of the Advisory Committee's recommendation and decided not to abolish these posts (see resolution 70/277, para. 9).

22. Upon enquiry as to the status of these posts and their inclusion in the proposed budget for the 2017/18 period, the Committee was informed that the two D-1 posts and one P-4 post had not been proposed for abolishment in the proposed budget for the 2017/18 period owing to the above-mentioned decision by the General Assembly. The Committee was also informed that, while the posts could have been proposed again for abolishment, in view of recent experience, in which the General Assembly decided to retain posts that had been proposed for abolishment, it was deemed appropriate to include the three posts in the proposal currently under consideration. Upon further enquiry, the Advisory Committee was informed that the budget was fully justified on the basis of the Mission's mandate, costs and human resource requirements and was also informed by the Mission that the proposed resources were adequate for the Mission.

23. **While noting the rationale for including these three posts in the budget proposal for the 2017/18 financial period, the Advisory Committee is of the view that the Secretary-General has a continuing obligation to ensure that all budget proposals of the Mission reflect the actual requirements of the Mission's mandate. In this regard, the Advisory Committee trusts that the Secretary-General will provide additional information to the General Assembly at the time of its consideration of the budget proposal for the 2017/18 period in terms of the Mission's continuing requirement for these three posts.**

Vacant posts

24. The Advisory Committee was informed, upon enquiry, that a total of 15 posts were vacant in the Mission as at 22 March 2017. The Committee notes that one post has been vacant since July 2015 and under recruitment only since November 2016, while nine other posts became vacant between June and September 2016 and are still under recruitment. **The Advisory Committee expects that all vacant posts and positions will be filled expeditiously. On a related matter, the Advisory Committee reiterates its view that budgeted vacancy rates should be based, as much as possible, on actual vacancy rates. In cases where the proposed budgeted vacancy rates differ from the actual rates at the time of the budget preparation, clear justification should be provided in related budget documents for the rates used (A/70/742, para. 45).**

25. **The Advisory Committee recommends approval of the Secretary-General's proposal for civilian personnel for 2017/18.**

3. Operational costs

(United States dollars)

Apportioned 2016/17	*Proposed 2017/18*	*Variance*
8 326 600	9 102 200	775 600

26. The proposed operational costs for the period from 1 July 2017 to 30 June 2018 amount to $9,102,200, representing an increase of $775,600, or 9.3 per cent, compared with the apportionment for 2016/17.

27. The increased requirements are attributable mainly to the following:

(a) Other supplies, services and equipment: an increase of $1,699,000, or 138.9 per cent, is attributable mainly to the proposed requirements for programmatic activities of $1,987,000, which are offset in part by reduced requirements for external audit and freight and related costs. The Advisory Committee makes observations with regard to the Mission's programmatic activities in paragraph 32 below;

(b) Information technology: an increase of $74,900, or 5.7 per cent, compared with the appropriation for 2016/17 is attributable to higher requirements for information technology acquisitions;

(c) Consultants: an increase of $87,200, or 167.0 per cent, is attributable to the provisions for a senior consultant to conduct a fact-finding review of the Kosovo criminal justice system. The Committee was informed, upon enquiry, that the consultant would conduct a fact-finding mission to identify lessons learned from UNMIK involvement in the justice sector that could be applicable to other missions. **The Advisory Committee is not convinced of the necessity of engaging a consultant for this purpose, particularly given the availability of in-house capacity both within the Mission and at United Nations Headquarters. The Advisory Committee therefore recommends that a reduction of 50 per cent, in the amount of $43,600, be applied to the Mission's proposed consultancy requirements.**

28. The overall budgetary increase of operational costs is partially offset by the following reduced requirements:

(a) Facilities and infrastructure: a decrease of $522,900, or 15.5 per cent, compared with the appropriation for the 2016/17 period is attributable mainly to lower requirements for solar panels. These are offset in part by increased requirements for security upgrades for the Mitrovica Regional Office and for field defence supplies;

(b) Communications: a decrease of $493,800, or 31.5 per cent, is attributable mainly to reduced charges for leased lines and reduced fees for maintenance of equipment and communications support services;

(c) Ground transportation: a decrease of $67,700, or 18.8 per cent, is attributable to the lower projected price of petrol, oil and lubricants and liability insurance owing to the implementation of the United Nations worldwide insurance coverage in Kosovo.

Travel

29. The Secretary-General indicates in his report that the resource requirements for official travel amount to $367,000 (A/71/759 and Corr.1 and 2, sect. II.A). The Advisory Committee was provided, upon request, with additional information relating to the travel requirements of UNMIK and noted that a substantial proportion of the proposed travel was outside the mission area ($299,000). The Committee noted a number of discrepancies in the information provided, including probable overestimation of airfare rates and the non-consideration of savings arising from advance booking of predictable travel requirements. **The Advisory Committee therefore recommends that a reduction of 25 per cent, in the amount of $74,800, should be applied to the proposed resource requirements**

for all travel of staff outside the mission area. The Committee therefore recommends approval of the remaining proposed travel requirements, amounting to $292,200.

Vehicles

30. The Committee was provided with information pertaining to the status of the vehicle holdings in terms of requirements for military, police and civilian personnel and other categories of personnel where the Mission's ratios of vehicles to most personnel categories are below the standard ratios. Upon enquiry, the Committee was informed that, in line with the interim guidelines for a transition plan for the transformation of the global Department of Field Support vehicle fleet, the UNMIK Vehicle Establishment Committee convened in June 2016 and redefined the allocation of vehicles on the basis of the actual operational requirements and reduced its fleet by 15 light passenger vehicles during the 2016/17 period and that the ratio therefore reflected fewer vehicles allocated to sections/units, with the aim of reducing the global light passenger vehicle fleet. **The Advisory Committee notes the efforts made by UNMIK to adjust the number of vehicles to the projected requirements for each personnel category within the limits of the standard ratios and trusts that similar efforts will be undertaken across all other peacekeeping missions.**

31. **Subject to its comments and recommendations in paragraphs 27 and 29 above, the Advisory Committee recommends approval of the resources requested for operational costs for 2017/18.**

Other issues

Programmatic activities

32. The Secretary-General indicates in his report that the resource requirements for 13 programmatic projects amount to $1,987,000 (A/71/759 and Corr.1 and 2, paras. 40-41), in addition to 21 confidence-building projects (ibid., para. 39) in the amount of $380,100. Upon request, the Committee was provided with details of the projects and additional clarification as to the nature of the planned programmatic activities and confidence-building projects (see para. 6 above). The Committee was informed, upon request, that the aim of the confidence-building projects was to intervene where the Mission had a comparative advantage and added value in supporting reconciliation and confidence-building as an important step towards cooperation among the different communities in Kosovo. In terms of programmatic activities, the Committee was informed that the Mission's focus was on activities in the areas of: human rights; societal reconciliation; grass-roots-level community support; and rule of law activities. Details of the planned programmatic activities and confidence-building projects are provided in the annex.

Redeployment of funds

33. The Secretary-General indicates in his report on the budget performance for the 2015/16 period that, during the reporting period, funds amounting to $3,400,400 were redeployed from group II, civilian personnel, to group III, operational costs, primarily to cover: (a) the settlement of a claim for non-consensual use of land; (b) rule of law programmatic activities; (c) acquisition of hybrid vehicles; and (d) procurement for alteration and renovation services. Funds were available in group II, civilian personnel, due to the reduced requirements for international staff, owing primarily to a higher-than-planned vacancy rate and a lower-than-budgeted post adjustment multiplier, and reduced requirements for national staff, owing to lower-than-budgeted salary costs (A/71/615, para. 27).

34. The Committee was provided with information relating to the categories of expenditure for activities that had not been budgeted and for which funds were redeployed and notes that the amount of $1,557,100 was redeployed to cover costs for programmatic activities in the area of rule of law (and contractor fees), the amount of $375,900 for the acquisition of 20 hybrid vehicles, and $394,900 for the refurbishment of the United Nations Office in Belgrade. The Committee was informed, upon enquiry, that the General Assembly had been provided with related information in May 2016 regarding the proposed use of these hitherto unbudgeted funds for programmatic activities. With specific reference to programmatic activities, the Assembly was informed by the Secretariat that the funds would be used to implement mandated tasks and that most of the activities would be undertaken in close collaboration with the United Nations Kosovo Team and other partners with a comparative advantage in specific programmatic areas.

35. Regarding current and projected expenditure for the 2016/17 period, the Advisory Committee was provided with information and notes that, for the expenditure class Other supplies, services and equipment, additional requirements in the amount of $1,100,000 are for programmatic activities in the area of rule of law for which no budgetary provisions had been made. In addition, the Committee was informed that the Mission intended to redeploy this amount to cover the costs of programmatic activities and that the Mission leadership was currently vetting a number of proposals that could be implemented before the end of June 2017. The Committee was also informed that the Mission considered the projects as being directly related to the Mission's mandate in line with the strategic priorities of the Special Representative of the Secretary-General. The projects had been developed in consultation with local counterparts, and their implementation would be coordinated with international partners. In this connection, a proposed redeployment of $900,000 from group II, civilian personnel, and $200,000 from group I, military and police personnel, is under consideration for this purpose.

36. **While acknowledging that there may be a need to redeploy funds within budgetary periods in cases where mandates have changed or where there is an urgently arising operational need, the Advisory Committee stresses that underexpenditures in the budget do not automatically justify the use of available funds for unbudgeted purposes. As a general rule, unspent balances should be returned to Member States.** The Committee's observations and recommendations relating to the redeployment of funds between and within expenditure groups within the budget period are contained in its report on cross-cutting issues (A/71/836).

V. Conclusion

37. The actions to be taken by the General Assembly in connection with the financing of UNMIK for the period from 1 July 2015 to 30 June 2016 are indicated in paragraph 41 of the budget performance report (A/71/615). **The Advisory Committee recommends that the unencumbered balance of $726,200 for the period from 1 July 2015 to 30 June 2016, as well as other income and adjustments in the amount of $408,100 for the period ended 30 June 2016, be credited to Member States.**

38. The actions to be taken by the General Assembly in connection with the financing of UNMIK for the period from 1 July 2017 to 30 June 2018 are indicated in paragraph 53 of the proposed budget (A/71/759 and Corr.1 and 2). **Taking into account its recommendations in paragraphs 27 and 29 above, the Advisory Committee recommends that the General Assembly appropriate the amount of $37,898,200 for the maintenance of UNMIK for the 12-month period from 1 July 2017 to 30 June 2018.**

Documentation

- Report of the Secretary-General on the budget performance of the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2015 to 30 June 2016 (A/71/615)
- Report of the Secretary-General on the budget for the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2017 to 30 June 2018 (A/71/759 and Corr.1 and 2)
- Report of the Secretary-General on the budget for the United Nations Interim Administration Mission in Kosovo for the period from 1 July 2016 to 30 June 2017 (A/70/707)
- Report of the Board of Auditors on United Nations peacekeeping operations for the 12-month period from 1 July 2015 to 30 June 2016 (A/71/5 (Vol. II), chap. II)
- Report of the Advisory Committee on Administrative and Budgetary Questions on cross-cutting issues related to peacekeeping operations (A/71/836)
- Report of the Advisory Committee on Administrative and Budgetary Questions on cross-cutting issues related to peacekeeping operations (A/70/742)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the budget performance for the period from 1 July 2014 to 30 June 2015 and proposed budget for the period from 1 July 2016 to 30 June 2017 of the United Nations Interim Administration Mission in Kosovo (A/70/742/Add.10)
- General Assembly resolutions 69/300 and 70/277 on the financing of the United Nations Interim Administration Mission in Kosovo
- Security Council resolution 1244 (1999)

Annex

United Nations Interim Administration Mission in Kosovo: programmatic activities and confidence-building measure projects for 2017/18

A. Programmatic activities for 2017/18

(United States dollars)

	Type	*Description*	*Implementing partner*	*Project cost*	*Estimated programme support costs, subject to approval*	*Total cost*
1	Programmatic activity	Strengthening the capacity and integrity of the Kosovo Police in accordance with international criminal justice and human rights norms and standards, including by purchasing or upgrading key equipment, supporting the Kosovo Forensic Agency, providing specialized training and supporting mechanisms for community safety decisions, complementing international support initiatives	UNOPS	345 000.00	30 000.00	375 000.00
2	Programmatic activity	Improving the integrity, accountability, inclusiveness and independence of the judicial system in accordance with international criminal justice and human rights norms and standards, including through training and the provision of key equipment to the Kosovo Judicial Council, the Kosovo Prosecutorial Council and key courts and offices of the prosecutor, as well as the development and implementation of justice indicators and support for judicial integration in north Kosovo, complementing international support initiatives	UNOPS and UNDP	473 800.00	41 200.00	515 000.00
3	Programmatic activity	Strengthening the capacity and integrity of the corrections services of Kosovo, including training on the implementation of international criminal justice and human rights norms and standards and technical assistance for the implementation of administrative procedures, complementing international support initiatives	UNOPS	46 000.00	4 000.00	50 000.00

	Type	*Description*	*Implementing partner*	*Project cost*	*Estimated programme support costs, subject to approval*	*Total cost*
4	Programmatic activity	Enhancing access to justice, in accordance with international criminal justice and human rights norms and standards, for marginalized and vulnerable groups, non-majority groups, women and juveniles, including with regard to free legal aid and bilingual justice delivery	Council of Europe	178 480.00	15 520.00	194 000.00
5	Programmatic activity	Providing support for the prevention of violent extremism and counter-terrorism, including training with regard to international criminal justice and human rights norms and standards, training in the area of money-laundering investigations, training on human rights standards, support for enhancing capacities in respect of terrorism financing investigations and assistance in building capacities to detect and prevent money-laundering and terrorism financing	UNODC and UNOPS	156 400.00	13 600.00	170 000.00
6	Programmatic activity	Support for improving juvenile and gender justice, including training for the reintegration of juveniles in conflict with the law, the development of prevention and reintegration programmes for young offenders and support for strengthening the implementation of justice programmes against domestic violence	UNOPS, UN-Women and UNICEF	180 320.00	15 680.00	196 000.00
7	Programmatic activity	Reconciliation initiative for family associations: UNMIK is engaged in providing support to the family associations of Kosovo-Serb and Kosovo-Albanian families of missing persons, resulting in a process of confidence-building between the associations of families of missing persons. UNMIK will facilitate and support cooperation between the family associations of missing persons with counterparts in other areas where similar problems have been addressed, such as Cyprus and Bosnia and Herzegovina	UNMIK will implement this project	62 000.00	–	62 000.00

	Type	*Description*	*Implementing partner*	*Project cost*	*Estimated programme support costs, subject to approval*	*Total cost*
8	Programmatic activity	Inter-community arts initiative: at present, there are few opportunities in Kosovo enabling the development of art-based educational activities for youth in all regions of Kosovo. This field offers enormous potential for furthering reconciliation and building cross-community ties, as proven in many other post-conflict settings. There will be two main activities centring on tolerance and anti-discrimination: (a) art and design competitions; and (b) the development of public art installations in collaboration with selected municipalities	Abstract (NGO)	22 430.00	1 570.00	24 000.00
9	Programmatic activity	Human rights forums: the younger generation in Kosovo has been raised with school and university curricula that do not ensure a proper understanding of the principles and basic values of human rights. UNMIK should support civil society initiatives and convene meetings of discussion clubs on human rights. These discussion clubs will strengthen the public discussion on human rights in Kosovo	UNMIK will implement this project	55 000.00	–	55 000.00
10	Programmatic activity	Language rights and reconciliation: the protection of language rights is a cornerstone of the protective framework of the Ahtisaari Plan and thus is also anchored in the Constitution of Kosovo, ensuring the language rights of all communities in Kosovo. The official languages of Kosovo are Albanian and Serbian; in practice, the municipalities are mostly monolingual, either Albanian or Serbian, manifesting the segregation of the communities. With the generation educated in the Serbian language reaching retirement age and a numerically much larger younger generation entering the labour market with no knowledge of the language of the other community, the segregation between Serbian and Albanian speakers is likely to increase sharply in the coming years. In this context, addressing the younger generation and generating interest in learning the language of the other group will be crucial for increasing social cohesion. This will be carried out in coordination with the Council of Europe Office in Pristina	Council of Europe Office in Pristina	59 259.00	4 741.00	64 000.00

	Type	Description	Implementing partner	Project cost	Estimated programme support costs, subject to approval	Total cost
11	Programmatic activity	Empowering youth as civil society: the project is aimed at creating a safe space for inter-community youth interaction, thus promoting cooperation through the mass media and young professional associations to seek common ground across the ethnic divides. Each of three separate sets of activities creates opportunities for cooperation and mutual understanding. These are: (a) production of two television series for local broadcast; (b) joint activities on the cultural heritage of Kosovo involving students from universities in North Mitrovica and Pristina; and (c) increasing operational activities at the youth centres in Gračanica/Graçanicë, Pristina and North Mitrovica	Centre for Peace and Tolerance in Gračanica/Graçanicë	85 981.00	6 019.00	92 000.00
12	Programmatic activity	Youth participation in public decision-making: young people in Kosovo remain largely excluded from participation in decision-making. A lack of trust in institutions and the absence of practical mechanisms for young people to raise their concerns result in a lack of sense of belonging and more young people leaning towards extremist parties. The project supports the implementation of the Law on Empowerment and Participation of Youth (Law No. 03/L-145) through a series of trust-building meetings between young people from different ethnic groups, Kosovo institutions and United Nations structures in place, as well as the establishment of the Kosovo Youth Assembly, which follows the best practices of the Youth Assembly at the United Nations. The recommendations will be set out in the report on advancement of the youth, peace and security agenda in Kosovo, which will be communicated to the Kosovo Ministry of Culture, Youth and Sport and all relevant stakeholders	Kosovo Youth Centres' Network, Action for Non-Violence and Peacebuilding (NGO) and Mother Teresa Society (NGO) for in-kind contributions	25 233.65	1 766.35	27 000.00

	Type	*Description*	*Implementing partner*	*Project cost*	*Estimated programme support costs, subject to approval*	*Total cost*
13	Programmatic activity	Targeted support for community reconciliation in returns areas: the action is aimed at supporting reconciliation efforts tailored to municipalities with returning communities and areas in which returns are anticipated. The action described in this project is directly related to the United Nations mandate in Kosovo (protecting and promoting human rights and ensuring the safe and unimpeded return of all refugees and displaced persons). It is also aimed at introducing inter-community cooperation in local development planning. The community-based dialogue process adopted through this project proposal will alleviate ethnic tensions and improve safety in Kosovo's most fragile areas, thus improving the overall stability of inter-ethnic relations in Kosovo	Aktiv (NGO)	152 336.45	10 663.55	163 000.00
	Total, programmatic activities			**1 842 240.09**	**144 759.91**	**1 987 000.00**

Abbreviations: NGO, non-governmental organization; UNDP, United Nations Development Programme; UNICEF, United Nations Children's Fund; UNMIK, United Nations Interim Administration Mission in Kosovo; UNODC, United Nations Office on Drugs and Crime; UNOPS, United Nations Office for Project Services; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women.

B. Confidence-building measure projects for 2017/18

(United States dollars)

	Type	*Description*	*Implementing partner*	*Project cost*	*Overhead charges*	*Total cost*
1	Confidence-building measure project	Improving Albanian language skills of lawyers from non-majority communities in Kosovo, aiming at their integration into Kosovo society	To be selected based on competitive advantage	22 258.27	–	22 258.27
2	Confidence-building measure project	Empowering women from different communities in Gračanica/Graçanicë municipality and improving their opportunities in the job market through intensive courses in English and Albanian. The goal is to empower unemployed women, women from low-income families, beneficiaries of social aid, survivors of domestic violence and single mothers	To be selected based on competitive advantage	11 129.13	–	11 129.13
3	Confidence-building measure project	Construction of a facility for fruit storage in Plemetin/Plemetina village in Obiliq/Obilić municipality, which is inhabited by a Kosovo-Serb and Kosovo-Albanian population mainly working in agriculture. The facility is necessary for them to store their fruit production and would also provide employment for up to 10 local inhabitants. The project would be supported by Obiliq/Obilić municipality with 10-15 per cent of financial means	To be selected based on competitive advantage	27 897.03	–	27 897.03
4	Confidence-building measure project	Promotion of inter-ethnic coexistence in local media through Kontakt Plus, a radio station based in North Mitrovica. Media promotion of "showcased" individual examples of coexistence and cooperation between communities	To be selected based on competitive advantage	12 365.70	–	12 365.70
5	Confidence-building measure project	Environmental awareness campaign, including the purchase of around 700 metal garbage bins for Kosovo-Roma, Kosovo-Ashkali and Kosovo-Egyptian households in the areas of Salahane, Halit Ibishi and Koce Xoxe in Ferizaj/Uroševac town, as well as in Dubravë/Dubrava village	To be selected based on competitive advantage	16 718.43	–	16 718.43

	Type	Description	Implementing partner	Project cost	Overhead charges	Total cost
6	Confidence-building measure project	"Basket-Beat": proactive coexistence training for children and youth through music and sports, and integration of Kosovo Roma, Ashkali and Egyptian communities in Zvecan by embracing differences and similarities among participants. The cooperative approach aligns the elements necessary for members of the group to constantly collaborate in order to achieve outputs. As a result, the sense of belonging increases, since individual and group needs are being fitted in throughout the process. The ultimate goal is for the community to become as self-managed as possible	To be selected based on competitive advantage	12 365.70	–	12 365.70
7	Confidence-building measure project	Support the establishment of a multi-ethnic forum for women in Zubin Potok aimed at increasing the participation of women from different communities in political, social and public life, through various workshops and training	To be selected based on competitive advantage	13 354.96	–	13 354.96
8	Confidence-building measure project	Renovation/refurbishment of the house of culture in Novobërdë/Novo Brdo municipality and supplying it with sports, music and other equipment necessary for it to be used by youth of Kosovo Serb and Kosovo Albanian communities, as well as the purchase of a minivan for field activities of the house of culture folklore associations	To be selected based on competitive advantage	27 897.03	–	27 897.03
9	Confidence-building measure project	Preschool and homework support learning centre in South Mitrovica: enhance public inclusiveness for Roma, Ashkali and Egyptian children in Kosovo by providing supplementary means through which Roma, Ashkali and Egyptian preschool and school children are empowered to break through the barriers to social inclusion in the schooling system	To be selected based on competitive advantage	20 774.38	–	20 774.38
10	Confidence-building measure project	Promotion of interfaith dialogue between the Serbian Orthodox community in North Mitrovica and the Islamic community in South Mitrovica. The project brings together members of both faiths in teams to conduct minor repairs to and maintenance of sites and facilities of religious and cultural significance	To be selected based on competitive advantage	9 892.56	–	9 892.56

	Type	Description	Implementing partner	Project cost	Overhead charges	Total cost
11	Confidence-building measure project	Support for traditional cultural activities of the Kosovo Serb community in the isolated area of Kololeč, in Kamenicë/Kamenica municipality, by financing the traditional Saint Panteleimon Games, to be held on 9 August 2017, with the participation of youth from other municipalities. The project also foresees support for local handicraft and the creation of two traditional folk dresses, which would be used by the Cultural Artistic Association of Kololeč. The event is usually attended by members of all communities	To be selected based on competitive advantage	16 718.43	–	16 718.43
12	Confidence-building measure project	Refurbishment/renovation of the old school building and replacement of tiles, windows and toilets in the ethnically mixed village of Mogillë/Mogilla, in Kllokot/Klokot municipality. Approximately 30 Kosovo-Serb and 60 Kosovo-Albanian pupils, from grades 1 to 5, share the school building, the only school in Kosovo shared by the two communities. The project would help to maintain multi-ethnicity in the village	To be selected based on competitive advantage	33 387.40	–	33 387.40
13	Confidence-building measure project	The project is based on the idea of learning through work and is modelled to respond to the actual needs of the local governments, in particular in six municipalities with a Serbian majority south of the Ibar/Iber River (Gračanica/Graçanicë, Štrpce/Shtërpcë, Parteš/Partesh, Ranilug/Ranillug, Novo Brdo/Novobërdë and Klokot/Kllokot). Interns would partake in obligatory training for three months, which includes classes in computer and information technology literacy training, business correspondence and communication with clients, and the Albanian language course	To be selected based on competitive advantage	39 570.26	–	39 570.26
14	Confidence-building measure project	Promoting diversity and inter-ethnic life by helping the public museum in Dragash/Dragaš municipality to purchase traditional costumes and handicrafts from the non-majority communities (Kosovo Bosniak, Kosovo Gorani and Kosovo Serb), which would then be displayed in the museum, where schoolchildren and other visitors can learn more about those communities	To be selected based on competitive advantage	11 571.33	–	11 571.33

	Type	Description	Implementing partner	Project cost	Overhead charges	Total cost
15	Confidence-building measure project	Reconciliation of Kosovo Albanian and Kosovo Serb youth communities to support peace and strengthen inter-ethnic dialogue through the creation of an animation laboratory where students from Pejë/Peć would be trained on pre- and post-production of short video animations	To be selected based on competitive advantage	16 467.16	–	16 467.16
16	Confidence-building measure project	Integrating the Kosovo Serb returnee community and enabling sustainable returns through the creation of a children's playground in Rahovec/Orahovac municipality. This initiative would provide an appropriate and comfortable communal living environment, especially for young people and children (primarily of preschool age), for whom there is currently little or no safe place for play or socializing	To be selected based on competitive advantage	17 079.51	–	17 079.51
17	Confidence-building measure project	Promoting community integration through sports and advancing interaction among children of different communities by providing the equipment needed to maintain the swimming pool in Gorazhdec/Goražd evac village, in Pejë/Peć municipality, which is mostly used by children and young adults from all ethnic groups. The local community plans to organize various multi-ethnic non-competitive water activities, thus promoting dialogue between different communities	To be selected based on competitive advantage	7 298.73	–	7 298.73
18	Confidence-building measure project	Promoting peace, diversity and reconciliation by establishing Serbian and Albanian language courses for youth from the Pejë/Peć region. By learning the language, enrolled youth would also have the opportunity to become familiar with traditions of the other community and to understand the importance of various cultural sites throughout Kosovo. The two classes would have team building activities in which they can practice new language skills and meet each other	To be selected based on competitive advantage	15 799.41	–	15 799.41

	Type	Description	Implementing partner	Project cost	Overhead charges	Total cost
19	Confidence-building measure project	Ensuring sustainable returns and promoting cooperation between the majority and non-majority communities (Kosovo Bosniak, Kosovo Montenegrin, Kosovo Roma, Kosovo Ashkali, Kosovo Egyptian and Kosovo Serb) by purchasing a greenhouse for community use in Sërbobrani/Srbobran village, Istog/Istok municipality, where residents would establish cooperative-style agricultural production for personal use and sale	To be selected based on competitive advantage	14 308.60	–	14 308.60
20	Confidence-building measure project	Building confidence and multi-ethnic tolerance among youth by organizing a week-long camp in Montenegro for approximately 200 schoolchildren from all communities from the Pejë/Peć region. During the camp, different sports and cultural activities will be organized, aimed at promoting trust among different ethnic groups and advancing communication between communities	To be selected based on competitive advantage	16 278.21	–	16 278.21
21	Confidence-building measure project	Promoting dialogue and breaking down prejudice between the Kosovo Serb and Kosovo Albanian communities in the Pejë/Peć and Prizren regions by bringing together representatives from both communities, local and central authorities and civil society in order to identify individuals who, during the conflict, went above and beyond to help those in need, regardless of their ethnicity, often sacrificing their own safety and well-being. Once identified, following strict criteria entailing nominations from the other community, these individuals would be awarded at a public event	To be selected based on competitive advantage	16 967.73	–	16 967.73
Total, confidence-building measure projects				**380 100.00**		**380 100.00**

United Nations A/71/836/Add.5

General Assembly

Distr.: General
18 April 2017

Original: English

Seventy-first session
Agenda item 160 (b)
Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Budget performance of the United Nations Interim Force in Lebanon for the period from 1 July 2015 to 30 June 2016 and proposed budget for the United Nations Interim Force in Lebanon for the period from 1 July 2017 to 30 June 2018

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2015/16	$506,346,400
Expenditure for 2015/16	$481,411,800
Underexpenditure for 2015/16	$24,934,600
Appropriation for 2016/17	$488,691,600
Projected expenditure for 2016/17[a]	$485,518,300
Projected underexpenditure for 2016/17	$3,173,300
Proposal submitted by the Secretary-General for 2017/18	$494,771,300
Recommendation of the Advisory Committee for 2017/18	$492,421,400

[a] Estimates as at 31 January 2017.

17-04062 (E) 200417

Please recycle

I. Introduction

1. **The recommendations of the Advisory Committee on Administrative and Budgetary Questions contained in paragraphs 32, 33, 36, 45 and 51 below would entail a reduction of $2,349,900 to the proposed budget of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2017 to 30 June 2018 (A/71/765 and Corr.1).**

2. During its consideration of the financing of UNIFIL, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 7 April 2017. The documents reviewed and those used for background by the Committee are listed at the end of the present report. The Committee's detailed comments and recommendations on the findings of the Board of Auditors on the United Nations peacekeeping operations for the period from 1 July 2015 to 30 June 2016 and on cross-cutting issues related to peacekeeping operations can be found in its related reports (A/71/845 and A/71/836). The Board's observations and recommendations pertaining specifically to UNIFIL are discussed in paragraph 6 below.

II. Budget performance report for the period from 1 July 2015 to 30 June 2016

3. By its resolution 69/302, the General Assembly appropriated an amount of $506,346,400 gross ($494,372,800 net) for the maintenance of the Force for the period from 1 July 2015 to 30 June 2016. Expenditures for the period totalled $481,411,800 gross ($469,200,600 net), reflecting a budget implementation rate of 95.1 per cent. The resulting unencumbered balance of $24,934,600, in gross terms, represents 4.9 per cent of the appropriation.

4. A detailed analysis of variances is provided in section IV of the performance report for the period from 1 July 2015 to 30 June 2016 (A/70/640). Lower than budgeted expenditures were incurred under:

(a) Military contingents ($22,846,100, or 6.8 per cent), attributable mainly to a higher actual average vacancy rate of 29.7 per cent compared with the budgeted rate of 26.5 per cent and corresponding reduced requirements for rations, as well as lower requirements for travel on rotation attributable to a new charter contract with a reduced rate for flight hours and savings resulting from the implementation of reversed rotation of troops (see para. 20 below);

(b) Communications ($3,455,700, or 50.8 per cent), attributable mainly to the requirements for the rental of radar equipment ($2 million) being recorded under air transportation instead of under communications, and provision of Internet services being recorded under information technology services instead of under communications, as well as lower requirements for fixed and mobile phone services, offset in part by additional requirements for the acquisition of communications and satellite equipment to support the United Nations enterprise resource planning system, Umoja;

(c) Facilities and infrastructure ($1,313,000, or 7.2 per cent), attributable mainly to: (i) the non-implementation of the outsourcing of maintenance services for buildings and generators which was found to be costlier than the provision of those services in-house; and (ii) reduced costs for petrol, oil and lubricants due to the lower actual average cost of fuel for generators ($0.41 per litre) than the budgeted rate ($0.75 per litre). The reduced requirements were offset in part by additional requirements for prefabricated units, air-conditioning systems and generators;

(d) Naval transportation ($1,076,800, or 3.4 per cent) attributable mainly to lower than budgeted charges for the rental and operation of vessels due to the provision of a fast patrol boat in lieu of a corvette sea vessel and a lower than planned number of flight hours (193 hours instead of 769) for navy helicopters attached to a mothership due to the impact of severe weather conditions on naval air operations in the third and fourth quarters of the period. The Advisory Committee recalls that in the 2014/15 period a total number of 271 actual flight hours were recorded against 850 planned hours owing to severe weather conditions that hampered naval air operations (see A/70/571, expected accomplishment 1.1: Stable and secure environment in southern Lebanon);

(e) International staff ($1,040,100, or 2.1 per cent), attributable mainly to a lower actual common staff cost rate of 66.5 per cent of net salaries compared with the budgeted rate of 69.9 per cent, offset in part by a lower actual average vacancy rate of 8.4 per cent, compared with the budgeted rate of 10.0 per cent;

(f) National staff ($908,800, or 2.0 per cent), attributable mainly to: (i) a lower actual common staff cost rate of 34.1 per cent of net salaries compared with the budgeted rate of 40.0 per cent; and (ii) higher actual average vacancy rates of 41.2 per cent and 5.7 per cent for National Professional Officers and national General Service staff respectively compared with the budgeted rates of 30.0 and 5 per cent, due to delays in the classification of newly nationalized posts (17 National Professional Officer and 11 national General Service posts) in the context of the civilian staffing review;

(g) Ground transportation ($744,700, or 13.8 per cent), attributable mainly to the lower actual average cost of fuel ($0.41 per litre) than the budgeted rate ($0.75 per litre), as well as lower (4.9 million litres) than budgeted (5.1 million litres) consumption of fuel as a result of optimization in the usage of the fleet, offset in part by additional requirements for the replacement of 3 vehicles and the acquisition of 2 palletized load vehicles for the movement of specialized equipment and heavy vehicles;

(h) Medical ($386,100, or 30.7 per cent), attributable mainly to the lower than expected number of patients who were referred to hospitals, the lower costs of medical supplies and the non-procurement of some medical supplies because of delays by some contractors;

(i) Other supplies, services and equipment ($276,300, or 7.2 per cent), attributable mainly to lower requirements for freight costs as a result of procurement of large quantities and a reduction of inter-mission shipments, reduced requirements for training fees for certain courses and lower requirements for uniforms, badges and safety gear, offset in part by additional requirements for individual contractors for camp cleaning services and loss on exchange rate transactions;

(j) Official travel ($97,000, or 10.0 per cent), attributable mainly to higher adherence to the 16-day advance purchase travel rule and to the greater use of video/teleconferences in lieu of travel.

5. The lower requirements were partly offset by higher requirements under:

(a) Information technology ($4,102,400, or 85.5 per cent), attributable mainly to: (i) the replacement of communications equipment that had exceeded its life expectancy through the reprioritization of resources from the facilities and infrastructure and naval transportation classes during the 2015/16 period; (ii) acquisition of barcode readers to enable the roll-out of the electronic rations management system; (iii) upgrade of satellite equipment; and (iv) requirements for the provision of Internet services being budgeted under communications but recorded under information technology;

(b) Air transportation ($2,983,900, or 62.5 per cent), attributable mainly to the requirements for $2 million for the rental of radar equipment budgeted under communications but being recorded under air transportation, and a higher than budgeted fixed cost of utilization of the Mi-8 helicopter as a result of a new contract, offset in part by the lower actual average cost of fuel ($0.41 per litre) than the budgeted rate ($0.75 per litre);

(c) General temporary assistance ($83,700, or 100 per cent), attributable to the costs allocated to UNIFIL in relation to Umoja, the decommissioning of Galileo[1] and the mission post classification exercise;

(d) Consultants ($41,400 or 100 per cent) attributable to the costs allocated to UNIFIL for the Senior Mission Administration and Resource Training programme and consulting fees for environment-related consultancies on wastewater sampling.

Observations and recommendations of the Board of Auditors

6. In considering the reports of the Secretary-General on the financing of UNIFIL, the Advisory Committee also had before it the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2016 (A/71/5 (Vol. II), chap. II). In its report, the Board made observations and recommendations pertaining to UNIFIL on the following matters:

(a) *Cut-off regarding travel expenses*: the Board noted that travel expenses pertaining to the financial year 2016/17 had been charged in the financial year 2015/16 and recommended that internal communication be strengthened to ensure that errors having an impact on the financial statements are communicated to the Accounts Division (ibid., paras. 50-52);

(b) *Budget formulation and management*: the Board noted underspending of 5 per cent or more between appropriation and expenditure for military and police personnel (ibid., table 8 and para. 64);

(c) *Idle stock*: the Board noted that 83 items had not been used for more than one year resulting in a blockage of funds of $2.10 million and that 602 expendable items purchased at least one year earlier for $2.1 million had not been used at all, and expressed its view that UNIFIL should optimize inventory management to prevent idle stocking and non-utilization of property (ibid., para. 124);

(d) *Special flight requests*: the Board noted that, of a total of 446 special flight requests, 104 requests (not including requests for emergency or test flights) had been submitted fewer than two working days in advance and were not in compliance with the standard operating procedure on aviation operations (ibid., para. 149);

(e) *Quick impact projects*: the Board noted administrative delays in providing approval and funding of such projects and recommended that UNIFL ensure the timely approval and release of funds for quick-impact projects so that the purposes of such projects can be optimally served (ibid., paras. 387 and 390);

[1] Legacy system used for inventory management in peacekeeping missions, initially interfaced to Umoja during the deployment of Umoja Foundation and Extension 1, and currently being migrated to Umoja as part of the implementation of supply chain management in the Umoja Extension 2 phase The decommissioning of the Galileo system involves: (a) cleansing and enriching Galileo data substantially to conform to Umoja requirements; and (b) enhancing Umoja supply chain management to ensure that the entire Galileo functionality is fully replaced before the full deployment of supply chain management in the field (see A/66/381, para. 30, and A/71/390, para. 71).

(f) *Status of assessed contributions receivable*: the Board noted an increase of $69.9 million in unpaid assessed contributions to UNIFIL (ibid., para. 7).

The Advisory Committee expects UNIFIL to take prompt action to address the issues raised by the Board of Auditors.

7. The comments of the Advisory Committee on the information presented in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2017 to 30 June 2018 (A/71/765 and Corr.1) in the paragraphs below.

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 16 February 2017, a total of $8,439,033,000 had been assessed on Member States in respect of UNIFIL since its inception. Payments received as at the same date amounted to $8,332,980,000, leaving an outstanding balance of $106,053,000. As at 3 April 2017, the Force had available cash resources of $264,209,000. Taking into account the three-month operating reserve of $53,064,000, the remaining cash balance was $211,145,000.

9. The Advisory Committee was also informed that, as at 31 March 2017, the incumbency for the Mission was as follows:

	Authorized approved[a] *2016/17*	*Encumbered*	*Vacancy rate (percentage)*
Military and police personnel			
Military contingents	15 000	10 453	30.3
Civilian personnel			
International staff	254	240	5.5
National staff	646	581	10.1

[a] Represents the highest authorized strength for military and police personnel and the number of approved posts for civilian personnel.

10. The Advisory Committee was provided with the current and projected expenditures for the period from 1 July 2016 to 30 June 2017, with the reasons for variances. Expenditures for the period as at 1 February 2017 amounted to $312,136,600 (gross). At the end of the current financial period, the estimated total expenditures would amount to $485,518,300 against the appropriation of $488,691,600, leaving a projected unencumbered balance of $3,173,300 (0.6 per cent). **The Advisory Committee requests that the most up-to-date information on the current and projected expenditures for the Mission be provided to the General Assembly at the time of its consideration of the budget proposal for 2017/18.**

IV. Proposed budget for the period from 1 July 2017 to 30 June 2018

A. Mandate and planning assumptions

11. The mandate of UNIFIL was established by the Security Council in its resolutions 425 (1978) and 426 (1978). The most recent extension of the mandate

was authorized by the Council in its resolution 2305 (2016), in which the Council decided to extend the mandate until 31 August 2017.

12. The main priorities for the 2017/18 period are summarized in paragraphs 6 to 14 of the report of the Secretary-General (A/71/765 and Corr.1). These include: (a) maintaining a credible force and an effective force for deterrence, prevention and de-escalation of conflict; (b) enhancing liaison and coordination activities at the strategic level, in particular through the tripartite mechanism; (c) widening the scope of the strategic partnership of the Force with the Lebanese Armed Forces as a key element to support moves towards a permanent ceasefire; (d) further involving the Government of Lebanon, in particular through its ministries and security institutions, in the implementation of resolution 1701 (2006) in southern Lebanon; and (e) maintaining maritime support for the Lebanese navy (ibid., para. 6).

13. With regard to the support component, it is indicated in the proposed budget that UNIFIL will continue to provide support to all components of the Force through the provision of a full range of services at 55 locations and at its headquarters in Naqoura. The Force will also continue to operate one main support route and routes through coastal waters, utilizing a commercially contracted sea vessel, and draw on a number of standing contractual arrangements for rations and fuel support. It is further indicated that, as a result of a survey, proposals have been included for making improvements in the living conditions for troops, including the replacement of prefabricated units, furniture, refrigerators, air conditioners and generators (ibid., para. 10).

14. It is indicated that UNIFIL will continue to perform liaison functions in Beirut on the management of issues relating to the status-of-forces agreement, the exportation and importation of goods and services, the transit of material and personnel, as well as coordination with the Government and other United Nations offices (ibid., para. 10; see also para. 27 below).

15. Information on regional mission cooperation is provided in paragraphs 15 to 18 of the proposed budget for 2017/18. It is indicated that UNIFIL will continue to provide training to other missions and entities[2] and lead the coordination of requests for training support on behalf of the region to minimize duplication of initiatives. Furthermore, the Regional Information and Communications Technology Services will continue efforts to reduce service disparities among the missions in the region,[3] while seeking economies of scale and eliminating duplication of effort.

16. The proposed budget also includes information on partnerships and country team coordination. It is indicated that UNIFIL will continue to coordinate regular consultations at all levels with the Office of the United Nations Special Coordinator for Lebanon, maintain a high level of coordination with humanitarian agencies, expand its collaboration with other United Nations entities such as the United Nations Development Programme, the United Nations Children's Fund and the Food and Agriculture Organization of the United Nations, liaise with the Government of Lebanon and with civil society organizations and hold regular coordination

[2] Economic and Social Commission for Western Asia, Office of the Special Envoy of the Secretary-General for Syria, Office of the United Nations Special Coordinator for Lebanon, United Nations Assistance Mission for Iraq, United Nations Assistance Mission in Afghanistan, United Nations Interim Security Force for Abyei, United Nations Military Observer Group in India and Pakistan, United Nations Office for Project Services, United Nations Organization Stabilization Mission in the Democratic Republic of the Congo, United Nations Peacekeeping Force in Cyprus (UNFICYP) and United Nations Truce Supervision Organization (UNTSO).

[3] Office of the United Nations Special Coordinator for Lebanon, Office of the United Nations Special Coordinator for the Middle East Peace Process, UNIFIL, United Nations Disengagement Observer Force (UNDOF), UNFICYP and UNTSO.

meetings with municipalities on a range of issues of importance to the local communities (ibid., paras. 19-21).

B. Resource requirements

17. The proposed budget for UNIFIL for the period from 1 July 2017 to 30 June 2018 amounts to $494,771,300 representing an increase of $6,079,700, or 1.2 per cent, compared with the apportionment for 2016/17. The increased requirements are mostly related to: (a) military contingents, attributable primarily to the application of a higher rate of reimbursement to troop-contributing countries of $1,410 per month from 1 July 2017, set by the General Assembly in its resolution 68/281, compared with the rate of $1,365 applied in 2016/17, reflecting a rate increase of $45; (b) national staff, attributable to the fact that a number of staff are long-serving and higher in grade; (c) facilities and infrastructure, attributable primarily to higher estimated costs for generator fuel; and (d) air operations, attributable primarily to additional requirements for the rental of helicopters, including estimates for guaranteed fleet cost and total flight hour cost, based on expenditure patterns and current contractual rates, as well as fuel for air operations.

18. Information on the financial resources proposed and an analysis of variances is provided in sections II and IV of the proposed budget (A/71/765 and Corr.1).

1. Military and police personnel

Category	*Authorized 2016/17*	*Proposed 2017/18*	*Variance*
Military contingent personnel[a]	15 000	15 000	–

[a] Represents the highest level of authorized strength.

19. The requested resources for military contingent personnel for 2017/18 amount to $327,789,100, reflecting an increase of $1,183,800 or 0.4 per cent compared with the appropriation for 2016/17. It is indicated that the proposed increase for 2017/18 is attributable primarily to the impact of the increase in the rate of reimbursement for standard troop costs from an amount of $1,365 applied to the budget for the 2016/17 period to $1,410 as set by the General Assembly in its resolution 68/281. The increase would be offset in part by reduced requirements for: (a) travel on rotation owing to a reduced rate for flight hours in the new air charter contract; (b) the implementation of a reversed rotation arrangement for troops (see para. 20 below); (c) lower requirements for rations due to the improved monitoring of inventory; (d) reduced requirements for contingent-owned equipment due to updated estimates related to signed memorandums of understanding; and (e) the estimated adjustment related to deductions for non-deployment, delayed deployment or deployment of non-functional contingent-owned equipment against troop reimbursement costs, in line with Assembly resolution 67/261 (A/71/765 and Corr.1, para. 84).

20. The Secretary-General indicates that efficiency gains resulting from the reversed rotation of troops and from the monitoring of baggage and cargo loading operations for troops are estimated at $2,466,600 and $616,600 respectively (A/71/765 and Corr.1, para. 71). Upon enquiry, the Advisory Committee was provided with further information on the concept of reversed rotation, which is attached as an annex to the present report. The Committee recalls that the Secretary-General's budget proposals for 2016/17 also indicated that the cost estimates had taken into account estimated efficiency gains of $1,400,000 resulting from the reversed rotation of troops and $316,800 from the monitoring of rations (A/70/699,

para. 83; see also A/49/644, annex II). **The Advisory Committee trusts that information on the actual efficiency gains realized through the efficiency initiatives will be included in the relevant performance report for UNIFIL. The Advisory Committee further trusts that such information will be provided in the budget and performance reports of all missions using reversed rotation of troops.** Upon enquiry, the Advisory Committee was informed that the concept of reverse rotation is considered for application in other missions on a case-by-case basis.

21. **The Advisory Committee recommends approval of the resources requested for military and police personnel.**

2. Civilian personnel

Category	*Approved 2015/16*	*Proposed 2017/18*	*Variance*
International staff	254	254	–
National staff[a]	646	645	(1)
General temporary assistance	2	2	–
Total	**902**	**901**	**(1)**

[a] Includes National Professional Officers and national General Service staff.

22. The estimated requirements for civilian personnel for 2017/18 amount to $94,985,000, reflecting an increase of $2,633,100, or 2.9 per cent, compared with the appropriation for 2016/17. The Secretary-General indicates that the increase is mainly attributable to additional requirements under: (a) international staff ($494,300, or 1.0 per cent), owing to the application of a vacancy rate of 3.0 per cent compared with 5.0 per cent in 2016/17, and a revised salary scale; and (b) national staff ($2,281,500, or 9.0 per cent) attributable to higher estimated staff costs for National Professional Officers and national General Service staff than budgeted for the 2016/17 period due to the fact that a number of national staff are long-serving and higher in grade (see para. 24 below), offset in part by the proposed abolishment of one national General Service post and conversion of six National Professional Officer posts to national General Service posts.

23. The estimated requirements for civilian personnel for the period from 1 July 2017 to 30 June 2018 include an amount of $411,200 for general temporary assistance, reflecting an increase of $3,200, or 0.8 per cent, compared with the appropriation for 2016/17 under that category. The proposed resources would provide for the continuation of two international temporary assistance positions in the Joint Mission Analysis Centre (see A/71/765 and Corr.1, table 1).

Civilian staffing review

24. With reference to the civilian staffing review conducted in September 2013 (see A/71/765 and Corr.1, sect. VI.A, p. 47, concerning para. 20 of General Assembly resolution 70/286), the Advisory Committee was informed that during the course of its implementation over the three-year period commencing in 2014, UNIFIL had abolished a total of 146 positions and nationalized 52 positions. As a result of the reduction in staffing resources, the duties and responsibilities formerly undertaken by international staff were absorbed by the remaining personnel and additional responsibility and accountability was transferred to the new national positions to continue to achieve operational requirements. In this context, some of the nationalized positions had been classified at a higher level to reflect their additional supervisory

functions, duties and accountability, commensurate with their overall level of responsibility.

Recommendations on posts and positions

25. The number of civilian posts and positions proposed for 2017/2018 would represent a reduction from a total of 902 in 2016/17 to 901, comprising 254 international and 645 national staff and two positions funded through general temporary assistance. The Secretary-General proposes the following post changes for 2017/18:

(a) Abolishment of one Finance Assistant post (national General Service) in the Finance and Budget Management Section as a result of the streamlining of certain finance functions following the deployment of Umoja (see A/71/765 and Corr.1, para. 37; see also para. 28 below);

(b) Conversion of six National Professional Officer posts to national General Service posts (3 Security Officers, 1 Information Systems Officer, 1 Human Resources Officer and 1 Electrician) following the finalization of the mission post classification exercise for UNIFIL in July 2016 in relation to the civilian staffing review conducted in September 2013 (see para. 24 above; see also para. 28 below).

26. The Secretary-General also proposes a number of organizational changes and redeployments, as follows:

(a) The transfer of the Gender Affairs Unit comprising two Gender Affairs Officers (1 P-4 post and 1 National Professional Officer post) and one Team Assistant (national General Service) post from the Civil Affairs Section to the Office of the Head of Mission/Force Commander. The Secretary-General states that this is in line with the global study on the implementation of Security Council resolution 1325 (2000) and the report of the Secretary-General on women and peace and security (S/2015/716);

(b) Redeployment of one Political Affairs Officer post (P-4) from the Beirut Office to Naqoura headquarters to allow for better integration of teams. The Secretary-General indicates that the requirements of the Beirut Office will be covered from Naqoura headquarters through rotation;

(c) Redeployment of the Tripartite Coordination Unit with two posts (1 Senior Political Affairs Officer and 1 Political Affairs Officer) from Beirut to Naqoura. The Secretary-General indicates that this would enable better synergy with the Political Affairs Section and a better coordination of efforts between the military and civilian components of the Mission.

27. From table 4 of the proposed budget, the Advisory Committee notes that, as a result of the above post redeployments (see para. 26 above), the overall staffing of the Beirut Office would be reduced from six to three posts. Upon enquiry, the Advisory Committee was informed that the Beirut Office would continue to manage all administrative matters related to the status-of-forces agreement, mission protocol and immigration issues in Beirut, tax exemptions, and customs formalities for all incoming and outgoing consignments for the Mission headquarters as well as for UNIFIL's military personnel. The Beirut Office would also continue to facilitate the Head of Mission's regular meetings in Beirut with a wide range of political and diplomatic interlocutors as well as other partner agencies, all of which are based in Beirut. In addition, the Office would continue to provide ongoing administrative and logistical support to missions and offices in Lebanon and in the region, including UNDOF, UNTSO, the Office of the United Nations Special Coordinator for Lebanon and the Office of Special Envoy of the Secretary-General for Syria.

28. In addition, as indicated in paragraph 11 of the proposed budget, the Secretary-General proposes to implement a two-pillar structure for the mission support component of UNIFIL comprising a supply chain pillar headed by the Office of the Deputy Director of Mission Support and a service delivery pillar under the Regional Information and Communications Technology Services. The Secretary-General states that this is in accordance with the final results of the mission's post classification exercise and the principles of the global field support strategy. The implementation of the two-pillar structure involves: (a) the transfer of the Engineering Services Section with 136 posts and the Medical Section with 14 posts from the Office of the Deputy Director of Mission Support to the Regional Information and Communications Services; and (b) the regrouping of the Movement Control, Transport and Aviation Sections under a new Movements Section within the supply chain pillar. In addition to the above-mentioned reclassification of six National Professional Officer posts as national General Service posts and the abolishment of one Finance Assistant post (national General Service) (see para. 25 above), the implementation of the two-pillar structure under the mission support component also involves the reassignment of 19 posts. The posts proposed for abolishment, redeployment, reclassification and reassignment in the support component are listed, by section, in tables 2 to 25 of the proposed budget; information on the proposed post changes is provided in paragraphs 24 to 69 of the proposed budget (A/71/765 and Corr.1).

29. With regard to reassignment of posts, the Advisory Committee notes that the definition given in annex I to the report of the Secretary-General states that post reassignment is applied when: (a) an approved post that was intended to cover a certain function is proposed to implement other priority mandated activities unrelated to the original function; and (b) that while a post reassignment may involve a change of location or office, it does not change the category or level of the position.

30. The Advisory Committee is of the view that eight of the 19 posts proposed for reassignment do not appear to adhere the above definition, including the proposed reassignment of: (a) one Deputy Director of Mission Support (D-1) post as one Deputy Director of Mission Support and Chief of Supply Chain Management (D-1) in the immediate Office of the Deputy Director of Mission Support (see A/71/765 and Corr.1, para. 40); (b) one Transport Assistant (Field Service) post as one Supply Assistant (Field Service) post from the Transport Section to the Supply Chain Section (ibid., para. 47); (c) one Vehicle Technician (Field Service) post as one Supply Assistant (Field Service) post within the Supply Chain Section (ibid., para. 53); (d) one Chief of Information and Communications Technology Services (D-1) post as one Chief, Regional Information and Communications Technology Services (D-1) post under the Regional Information and Communications Technology Services/service delivery pillar (ibid., para. 61); (e) one Equipment Technician (national General Service) post as one Information Systems Assistant (national General Service) post under the Regional Information and Communications Technology Services/service delivery pillar (ibid., para. 62); (f) one Engineer (P-3) post as an Electrical Engineer (P-3) post in the Engineering Services Section (ibid., table 24); (g) one Water and Sanitation Engineer (P-3) post as one Engineer (P-3) post in the Engineering Services Section (ibid., para. 66); and (h) one Heating, Ventilation and Air Conditioning Technician (national General Service) post as an Electrician (national General Service) post in the Engineering Services Section (ibid., para. 66). **While the Advisory Committee recognizes the need for the functions and priority activities of the above eight posts and recommends their continuation, it is of the view that there is a need to reassess whether they can be considered as post reassignments.**

31. The remaining 11 proposed post reassignments involve a change of functions. In the Advisory Committee's view, such reassignments should be considered equivalent to the abolishment of a current post and establishment of a new post, and therefore subject to procedures applicable to new posts with respect to, inter alia, the requirement for full justification of their functions, the recruitment and selection process and the application of a vacancy factor of 50 per cent in the first year of their establishment.

32. The Advisory Committee is of the view that sufficient justification was provided for the new functions of only some of the 11 posts proposed for reassignment involving a change of functions. These include the proposed reassignment of: (a) one Language Assistant (national General Service) post as one Movement Control Assistant (national General Service) post from the immediate Office of the Deputy Director of Mission Support to the Movements Control Section (ibid., para. 42); and (b) one Rations Assistant (national General Service) post as one Staff Assistant (national General Service) post form the Supply Chain Section to the immediate Office of the Deputy Director of Mission Support (ibid., para. 43). **In view of the foregoing, the Advisory Committee recommends approval of the proposed reassignment of the above two posts with the application of a vacancy factor of 50 per cent during the first year of the reassignment. Any related operational costs should be adjusted as appropriate.**

33. The remaining nine posts comprise the following: (a) one Team Assistant (national General Service) post as a Supply Assistant (national General Service) post from the Security Section to the Supply Chain Section (ibid., para. 33); (b) one Administrative Assistant (national General Service) post as one Rations Assistant (national General Service) post from the immediate Office of the Director of Mission Support to the Supply Chain Section (ibid., para. 35); (c) two Team Assistant (national General Service) posts, one Electrician (national General Service) post and one Language Assistant (national General Service) post as four Facilities Management Assistant (national General Service) posts from the Engineering Services Section to the Events Unit in the immediate Office of the Deputy Director of Mission Support and Supply Chain (ibid., para. 41 and table 24); (d) two Language Assistant (national General Service) posts as two Contingent-Owned Equipment Assistant posts (national General Service) from the immediate Office of the Deputy Director of Mission Support to the Contingent-Owned Equipment Unit of the Supply Chain Section (ibid., para. 44); and (e) one Administrative Assistant (national General Service) post as one Supply Assistant (national General Service) post from the Movements Section to the Supply Chain Section (ibid., para. 55). **The Advisory Committee is of the view that insufficient justification was provided in the proposed budget in support of the new functions and priority activities of the above posts, and therefore recommends abolishment of the above nine posts proposed for reassignment. Any related operational costs should be adjusted as appropriate.**

34. The Advisory Committee discusses the issue of the reassignment of posts further in its report on cross-cutting issues related to peacekeeping operations (A/71/836).

Vacancy rates

35. Information on vacancy rates for international staff shown in the table below paragraph 72 of the proposed budget shows that an actual vacancy rate of 8.4 per cent was recorded for 2015/16, a budgeted rate of 5.0 per cent was applied for 2016/17, and a rate of 3.0 per cent is proposed for 2017/18. As indicated in the table below paragraph 9 above, the actual vacancy rate for international staff as at 31 March 2017 was 5.5 per cent. The Advisory Committee was further informed that the actual average vacancy rate for international staff for the seven-month

period from 1 July 2016 to 31 January 2017 was 5.9 per cent. The table below provides a summary of the approved, actual, actual average and proposed vacancy rates for international staff for the performance, current and budget periods.

	2015/16		2016/17			2017/18	
			Actual				
Staff category	*Approved*	*Actual*	*Approved*	*Average, 1 July 2016–31 January 2017*	*As at 31 March 2017*	*Budgeted*	*Proposed number of personnel*
International staff	10.0	8.4	5.0	5.9	5.5	3.0	254

36. **The Advisory Committee is of the view that the proposed vacancy rate of 3 per cent for international staff in the 2017/18 period is not realistic. The Committee reiterates its view that budgeted vacancy rates should be based, as much as possible, on actual vacancy rates. In cases where the proposed budgeted rates differ from the actual rates at the time of the budget preparation, clear justification should be provided in related budget documents for the rates used. In view of the foregoing, the Committee recommends application of a vacancy rate of 5.5 per cent to estimate the requirements for international staff for the 2017/18 period. Any related operational costs should be adjusted as appropriate. The Advisory Committee expects that all vacant posts and positions will be filled expeditiously.**

37. **Subject to its recommendations in paragraphs 32, 33 and 36 above, the Advisory Committee recommends approval of the Secretary-General's proposals for civilian staff.**

3. Operational costs

(United States dollars)

Apportioned 2016/17	*Proposed 2017/18*	*Variance*
69 734 400	71 997 200	2 262 800

38. The estimated operational requirements for the 2017/18 period amount to $71,997,200, reflecting an increase of $2,262,800, or 3.2 per cent, compared with the appropriation for the 2016/17 period. The increase is attributable mainly to higher requirements under air operations ($3,262,700, or 71.3 per cent), facilities and infrastructure ($950,800, or 7.5 per cent), official travel ($281,000, or 32.9 per cent), naval transportation ($129,200, or 0.4 per cent) and consultants ($100,900, or 100 per cent). The increased requirements would be offset in part by lower requirements under other supplies, services and equipment ($1,846,500, or 31.9 per cent), communications ($385,400, or 11.3 per cent), information technology ($163,700, or 3.7 per cent) and ground transportation ($79,600, or 1.8 per cent).

Air operations

39. The proposed resources for air operations amount to $7,840,900, reflecting an increase of $3,262,700 (71.3 per cent) compared with the apportionment of $4,578,200 for 2016/17. The Secretary-General indicates that the increased requirements are attributable primarily to: (a) the inclusion of provisions for the rental of radar equipment, previously budgeted under other supplies, services and equipment, reflecting the fact that the radar is used for air transportation; and

(b) additional requirements for the rental of helicopters, including estimates for the guaranteed fleet cost and total flight hour cost, based on expenditure patterns.

40. With regard to the requirements for the rental and operation of helicopters, the Advisory Committee was informed, upon enquiry, that the estimates for 2017/18 were based on a cost per flight hour of $2,200, representing the actual cost per hour of the Bell helicopter compared with a rate of $1,277 applied in the 2016/17 period. The Committee was further informed that the estimated cost per flight hour of $2,200 included in the proposed budget for the 2017/18 period is based on the terms outlined in the existing letter of assist and reflected anticipated operational requirements. The estimated cost of $1,277 per flight hour included in the approved budget for the 2016/17 period reflected anticipated efficiencies associated with operational utilization. **The Advisory Committee is of the view that further clarification is required, and trusts that detailed information on the planned and actual utilization of helicopters and planned and actual efficiency gains achieved will be provided in the performance report for the 2016/17 period.**

Facilities and infrastructure

41. The proposed resources for facilities and infrastructure for 2017/18 amount to $13,647,300, reflecting an increase of $950,800 (7.5 per cent) compared with the apportionment of $12,696,500 for 2016/17. As indicated in the proposed budget, the increased requirements relate to the replacement of generators, the acquisition of water treatment, electrical and fuel distribution equipment, the replacement of office furniture and higher costs for the landscaping contract.

42. With regard to the increase resulting from the implementation of a new contract for landscaping services, the Advisory Committee was informed that the current costs of the landscaping contract amounted to $175,000 and were expected to increase to $310,000. The Committee was further informed that the existing landscaping contract included in the approved budget for 2016/17 covered services for an area of 54,000 m2, whereas the contract included in the proposed budget for 2017/18 would cover an area of 621,000 m2 and include services for landscaping, irrigation networks, weed clearance, grounds keeping and maintenance. **The Advisory Committee is of the view that the information provided raises further questions regarding the significant increase in the area to be covered and additional landscaping services to be provided under the new landscaping contract. Further explanations were not provided in time for the issuance of the present report. The Committee therefore requests the Secretary-General to provide further explanations to the General Assembly at the time of its consideration of the agenda item. The Committee also expects the Secretary-General to provide details on the services provided under the landscaping contracts in 2016/17 and 2017/18 in the context of the relevant performance reports.**

43. The proposed requirements for petrol, oil and lubricants under facilities and infrastructure for the 2017/18 period amount to $7,467,300, representing an increase of $396,700 (5.6 per cent) compared with the apportionment of $7,070,600 for 2016/17. The Secretary-General indicates that the increased requirements are attributable to the higher estimated cost for diesel fuel of $0.43 per litre, compared with $0.41 per litre applied in the approved budget for the 2016/17 period. However, in the budget document (A/71/765 and Corr.1, para. 71), it is indicated that efficiency initiatives under facilities and infrastructure are expected to result in reduced energy consumption ($170,300) owing to: (a) the replacement of 564 air conditioning systems with an estimated efficiency gain of $128,300; (b) the replacement of generators and lighting systems with an estimated efficiency gain of

$23,500; and (c) the implementation of 300 solar panels with an estimated efficiency gain of $18,500.

44. The Advisory Committee requested further information on the proposed increase in the requirements for fuel under facilities and infrastructure in 2017/18 with a breakdown of the budgeted total number of litres of fuel and unit costs, as well as explanations on the reasons for the increase in the proposed volume of fuel given the reduction in the number of generators as well as the implementation of additional solar panels. The Committee was provided with the following table providing an analysis of the proposed generator fuel cost estimates, inclusive of requirements for diesel fuel for heaters.

Analysis of generator fuel cost estimates

(United States dollars)

Usage	*Fuel price 2017/18, per litre (proposed budget)*	*Litres of fuel 2017/18 (proposed budget)*	*Cost 2017/18 (proposed budget)*	*Fuel price 2016/17 (approved budget)*	*Litres of fuel 2016/17 (approved budget)*	*Cost[a] 2016/17 (approved budget)*	*Variance*	
							Volume (litres)	*Cost*
Generators (United Nations-owned equipment)	0.430	7 886 180	3 391 057	0.415	7 927 048	3 288 345	(40 868)	102 712
Generators (Contingent-owned equipment)	0.430	8 053 993	3 463 217	0.415	8 074 942	3 349 695	(20 949)	113 522
Heaters	0.430	129 626	55 739	0.415	23 129	9 595	106 497	46 145
Total		**16 069 799**	**6 910 014**		**16 025 119**	**6 647 635**	**44 680**	**262 379**

[a] Slight differences are attributable to the rounding of fuel price.

45. The Committee was informed that the increase in the volume of fuel included in the proposed budget for the 2017/18 period was primarily associated with the increased requirements for diesel fuel for heaters, resulting from anticipated longer cold weather patterns during the 2017/18 period. **The Advisory Committee is not convinced by the justification provided and recommends against approval of the proposed increase of 106,497 litres for generator fuel.**

Official travel

46. The proposed resources for official travel amount to $1,135,000 reflecting an increase of $281,000 (32.9 per cent) compared with the apportionment of $854,000 for 2016/17. The Advisory Committee was informed that the proposed amount comprised $804,000 for non-training related travel and $304,000 for training related travel. The Secretary-General indicates that the increased requirements were mainly attributable to: (a) temporary duty assignment to the Kuwait Joint Support Office to support the centralization of finance/payroll functions (see paras. 47-51 below); (b) supply chain conferences regarding central warehousing, fuel and rations management and global systems contracts; (c) travel related to the decommissioning of Galileo; and (d) travel related to the coordinators for the rotation of troop-contributing countries to streamline the monitoring of baggage and cargo loading operations. Upon enquiry the Advisory Committee was further provided with a breakdown of the proposed additional resources of $281,000 under official travel for the 2017/18 period, including the cost of tickets and daily subsistence allowance for each of the above four requirements, which are summarized in the table below. The Committee was informed that the remaining additional requirements of $115,539 were attributable to other official travel requirements in connection with the Force.

(United States dollars)

Purpose of trip	*Ticket*	*Daily subsistence allowance*	*Total*
Temporary duty assignment to the Kuwait Joint Support Office to support the centralization of finance/payroll functions	4 608	76 176	80 784
Supply chain management conferences regarding central warehousing, fuel and rations management and global systems contracts	1 902	2 695	4 597
Travel for the decommissioning of Galileo	7 112	16 212	23 324
Coordinators for the rotation of troop-contributing countries to streamline the monitoring of baggage and cargo loading operations	27 172	29 584	56 756
Additional requirements attributable to other official travel requirements in connection with the Force	–	–	115 539
Total	**40 794**	**124 667**	**281 000**

47. **The Advisory Committee notes that no explanation is provided for additional requirements in the amount of $115,539, or some 42 per cent of the proposed increase of $281,000 under official travel, reflecting almost 19 per cent of the overall requirements proposed for official travel for the 2017/18 period.**

48. With regard to the proposed resources for temporary duty assignment to the Kuwait Joint Support Office to support the centralization of finance/payroll functions, the Advisory Committee was informed that the provision for travel had been estimated on the basis of four individuals travelling for a total of 368 days (4 x 92 days) during the 2017/18 period. This represented a general provision to ensure that there is adequate capacity available to support the centralized payroll process during the period. The actual travel requirement would depend upon the peak workload demand that arises during the period, which will also determine the level of capacity, skills and capabilities that will be required to address such demands. **The Advisory Committee is of the view that there is a lack of clarity on the purpose and duration of the proposed temporary duty assignment, as well as on the need for four individuals to travel to Kuwait.** The Advisory Committee discusses the centralization of finance/payroll functions further in paragraphs 55 to 59 below.

49. The Advisory Committee was also provided with details on travel undertaken in 2015/16 and proposed for 2017/18. The data provided for 2017/18 shows, inter alia, that multiple trips of a long duration (between 14 and 21 days) are planned and that in several cases two or more staff travel to workshops. The information provided did not allow the Committee to ascertain whether travel would be undertaken using business class or economy class. **Based on its review of the detailed information on the trips proposed for 2017/18, the Committee is of the view that insufficient justification has been provided in support of the requirements proposed, and that further efforts can be made to optimize travel costs, both in terms of the number and duration of trips as well as in the number of individuals travelling on the same trip.**

50. With regard to the 16-day advance purchase policy, the Advisory Committee was informed that, of a total of 807 trips undertaken in 2015/16, 324 trips or 40.1 per cent were in compliance, whereas 483 trips or 59.9 per cent were not in compliance. **In this regard, the Advisory Committee expects the Secretary-**

General to continue to pursue vigorous efforts to improve the Mission's compliance rate with the 16-day advance purchase policy.

51. **In view of its observations and comments in paragraphs 47 to 50 above, the Advisory Committee considers that the proposed requirements for official travel are significantly overstated. The Committee therefore recommends an overall reduction of 20 per cent under the proposed resources for official travel for the 2017/18 period. The Advisory Committee further recommends that the Secretary-General be requested to introduce additional measures for optimizing travel and ensuring judicious use of travel resources, and to report on those efforts in his next budget proposal.**

52. **Subject to its recommendations in paragraphs 32, 33, 36, 45 and 51 above, the Advisory Committee recommends approval of the Secretary-General's proposals under operational costs.**

4. Other matters

Redeployment of funds

53. The budget performance report indicates that during the 2015/16 period a total amount of $2,630,000 was redeployed from group I, military and police personnel, to group III, operational costs (see A/71/640, para. 31). The report states that the redeployment of funds was mainly related to additional requirements of $2.5 million for naval transportation to honour payments under a letter of assist for two contingents related to their services for the Maritime Task Force. The redeployment had been possible because of reduced requirements under military and police personnel resulting from a higher than budgeted actual average vacancy rate for military contingents (see para. 4 (a) above).

54. **While acknowledging that there may be a need to redeploy funds within budgetary periods in cases where mandates have changed or where there is an urgently arising operational need, the Advisory Committee stresses that underexpenditures in the budget do not automatically justify the use of available funds for unbudgeted purposes. As a general rule, unspent balances should be returned to Member States.** The Advisory Committee's observations and recommendations relating to the redeployment of funds between and within expenditure groups within the budget period are contained in its report on cross-cutting issues related to peacekeeping operations (A/71/836).

Centralization of payroll

55. The Secretary-General indicates that following the implementation of Umoja, payroll processing for all field-based national staff and uniformed personnel has been centralized at the Regional Service Centre in Entebbe, Uganda, and the Kuwait Joint Support Office and that, effective November 2016, payroll for UNIFIL national staff is being processed by the Kuwait Joint Support Office. The Secretary-General further states that one post of Finance/Budget Officer (P-3) and two posts of Finance Assistant (national General Service) have been relocated to Kuwait and that this temporary arrangement will remain in effect pending a decision by the General Assembly on the global service delivery model (A/71/765 and Corr.1, para. 38). Upon enquiry, the Advisory Committee was informed that the functions of the above three posts included running monthly payroll batches, supporting the monitoring and monthly maintenance of payroll systems and all ongoing activities related to ensuring a coordinated and timely execution of the payroll.

56. In addition, as indicated in paragraph 48 above, the proposed budget contains a provision of $80,784 to provide for four individuals travelling for a total of 368

days (4 x 92 days) during the 2017/18 period on temporary duty assignment to the Kuwait Joint Support Office. The Advisory Committee was informed that these staff would support the relocated team and troubleshoot payroll transactional issues during the 2017/18 period.

57. Upon enquiry, the Advisory Committee was informed that the implementation of Umoja as a single integrated system across all missions had enabled the Organization to centralize payroll processing for all field-based national staff and uniformed personnel at the Kuwait Joint Support Office. During the 2016/17 period, UNIFIL staff had travelled to Kuwait to assist with the centralization of payroll services in the Kuwait Joint Support Office. Given that the initial pilot for the deployment of Umoja was conducted at UNIFIL, the mission's staff had developed their skills as local process experts with the necessary experience and technical knowledge required to support the centralization of the payroll process.

58. **The Advisory Committee reiterates that while it does not object to an interim arrangement to support the implementation of Umoja in accordance with General Assembly resolution 70/248 A, any changes to the existing and future service delivery model must be approved by the Assembly (A/71/595, para. 55).** The Committee's observations and recommendations with respect to the Kuwait Joint Support Office are found in its report on cross-cutting issues related to peacekeeping operations (A/71/836).

59. **In this connection, the Advisory Committee trusts that the Secretary-General will provide clarification on the methodology applied in estimating Umoja benefits realization, including how the additional costs, for instance the travel costs related to the centralization of the payroll function (see para. 48 above), are factored into the estimates of benefits. The Advisory Committee also trusts that a comprehensive picture of all such costs will be included in the next progress report on the implementation of Umoja.**

Environmental initiatives

60. Information on the action taken by UNIFIL in response to the request made by the General Assembly in its resolution 70/286 (para. 31) that the Secretary-General continue his efforts to reduce the overall environmental footprint of each peacekeeping mission is provided in section VI of the proposed budget. The Secretary-General indicates that, as a leader in environmental management among United Nations peacekeeping missions, UNIFIL will continue to provide technical environmental support services, including to other missions. The mission will also conduct environmental assessments, test its environmental contingency plan twice a year, ensure a timely response to environmental incidents, and conduct environmental awareness-building activities. It will also undertake a number of environmental initiatives, such as the replacement of old generators and air conditioning systems with environmentally friendly new units, the installation of solar panels, the disposal of hazardous/medical items in accordance with the environmental policies of the host country, the replacement of metal wastewater treatment plants by concrete units to eliminate possible leaks, the replacement of prefabricated ablution units, and the replacement of old lighting systems with energy efficient equipment (see A/71/765 and Corr.1, para. 13). The mission also proposes resources under consultants related to the implementation of the Rapid Environment and Climate Technical Assistance Facility project. The Advisory Committee discusses environmental matters, including the project, further in its cross-cutting report on peacekeeping operations (A/71/836).

61. **The Advisory Committee notes the environmental initiatives planned by UNIFIL and encourages the Mission to continue to pursue its efforts to reduce**

the overall environmental footprint of UNIFIL as requested by the General Assembly in its resolutions 69/307 and 70/286. The Committee trusts that more detailed information on the implementation of the environmental initiatives will be included in future budget reports.

Mine action services

62. Upon request for further information on demining arrangements, the Advisory Committee was informed that UNIFIL currently had at its disposal six mine-clearance teams and two explosive ordnance disposal teams from two contingents. The demining units from troop-contributing countries supported implementation of Security Council resolution 1701 (2006) by conducting demining activities directly related to the operational requirements of UNIFIL. This included breaching of minefields within the framework of the tripartite Blue Line marking project and other demining activities ensuring freedom of movement of United Nations contingent personnel in the accomplishment of their respective mandated tasks.

63. The Committee was further informed that during the 2017/18 period it was envisioned that the Mine Action Service in Lebanon would continue to conduct quality assurance, training and validation for UNIFIL troop-contributing countries' demining teams, ensuring that UNIFIL demining assets are operating in accordance with international mine action standards. The Mine Action Service would also continue to support mine risk education initiatives for local populations in cooperation with the UNIFIL Civil Affairs Section and the Lebanese Mine Action Centre. The Committee discusses demining further in its report on cross-cutting issues related to peacekeeping operations (A/71/836).

V. Conclusion

64. The actions to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2015 to 30 June 2016 are indicated in section V of the performance report (A/71/640). **The Advisory Committee recommends that the unencumbered balance of $24,934,600 for the period from 1 July 2015 to 30 June 2016, as well as other income and adjustments amounting to $11,308,400 for the period ended 30 June 2016, be credited to Member States.**

65. The actions to be taken by the General Assembly in connection with the financing of UNIFIL for the period from 1 July 2017 to 30 June 2018 are indicated in section V of the proposed budget (A/71/765 and Corr.1). **Taking into account its recommendations in paragraphs 32, 33, 36, 45 and 51 above, the Advisory Committee recommends that the estimated budget requirement be reduced by $2,349,900 from $494,771,300 to $492,421,400. Accordingly, the Advisory Committee recommends that the General Assembly appropriate an amount of $492,421,400 for the maintenance of the Force for the 12-month period from 1 July 2017 to 30 June 2018.**

Documentation

- Report of the Secretary-General on the budget performance of the United Nations Interim Force in Lebanon for the period from 1 July 2015 to 30 June 2016 (A/71/640)
- Report of the Secretary-General on the budget for the United Nations Interim Force in Lebanon for the period from 1 July 2017 to 30 June 2018 (A/71/765 and Corr.1)
- Financial report and audited financial statements for the 12-month period from 1 July 2015 to 30 June 2016 and report of the Board of Auditors, Volume II, United Nations peacekeeping operations (A/71/5 (Vol. II)
- Report of the Advisory Committee on Administrative and Budgetary Questions on observations and recommendations on cross-cutting issues related to peacekeeping operations (A/71/836)
- General Assembly resolution 70/280 on the financing of the United Nations Interim Force in Lebanon
- Security Council resolutions 425 (1978), 426 (1978), 1701 (2006) and 2305 (2016)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the budget performance for the period from 1 July 2014 to 30 June 2015 and proposed budget for the period from 1 July 2016 to 30 June 2017 of the United Nations Interim Force in Lebanon (A/70/742/Add.8)

Annex

Reversed rotation of troops[a]

1. The rotation of contingent personnel may be conducted as a direct or reversed rotation. In the case of a direct rotation, the air operator will first position the aircraft in the country of the rotating contingent, where the flight will initiate and then proceed to the mission area. For a reversed rotation, the air operator positions the aircraft in the mission area, from where the flight is initiated and the passengers are flown first from the mission to the country of the contingent. The benefit with regard to reversed rotation is the proximity of the air operator to the mission, which allows for optimized positioning and depositioning of aircraft and avoids long-haul empty flights. However, reversed rotations require accurate risk analysis to ensure that the operations performed by the rotating units are not adversely affected. Accordingly, reversed rotation may be implemented only when the mission is capable of sustaining the operations and the financial benefits outweigh the operational challenges.

2. The geographical location of UNIFIL is particularly suited to use reversed rotation as there are a number of air operators registered with the United Nations that are located in the relative vicinity of the mission area. The distance required to position the aircraft from an air operator's home base in close proximity to UNIFIL is much shorter for a reversed rotation, compared to positioning the aircraft in the country of the contingent for a direct rotation.

3. Reversed rotation is considered for application in other missions on a case-by-case basis, depending on mission requirements and the units being rotated. Reversed rotations have taken place and are anticipated for the periods 2016/17 and 2017/18, respectively, for UNIFIL.

[a] Information provided by the Secretariat.